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BEFORE EUTEUR 20NA POWER PLANT

AND TRANSMISSION LINE SITING COMMITTEE 7 ZOUT JAN 13 P 4: 20

IN THE MATTER OF THE APPLICATION OF SIDN ARIZONA PUBLIC SERVICEDOOMPANY **CONFORMANCE WITH THE** REQUIREMENTS OF ARIZONA REVISED STATUTES §§ 40-360, et seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE TS-5 TO TS-9 500/230 kV TRANSMISSION LINE PROJECT, WHICH ORIGINATES AT THE FUTURE TS-5 SUBSTATION, LOCATED IN THE WEST HALF OF SECTION 29, TOWNSHIP 4 NORTH, RANGE 4 WEST AND TERMINATES AT THE FUTURE TS-9 SUBSTATION, LOCATED IN SECTION 33, TOWNSHIP 6 NORTH, RANGE 1 EAST, IN MARICOPA COUNTY, ARIZONA.

DOCKET NO. L-00000D-08-0330-00138

CASE NO. 138

DOCKETED

JAN 13 2009

DOCKETED BY M

ARIZONA CORPORATION COMMISSION STAFF'S REQUEST FOR REVIEW

I. INTRODUCTION.

A formal evidentiary hearing for the above-captioned matter was held over the course of approximately 15 days between August 18, 2008, and December 2, 2008, before the Arizona Power Plant and Line Siting Committee ("Committee"). On December 29, 2008, Committee Chairman John Foreman filed with the Arizona Corporation Commission ("Commission") the Committee's decision and order approving Arizona Public Service Company's ("Applicant" or "APS") request for a Certificate of Environmental Compatibility ("CEC") for a double circuit 500/230 kV power line ("Project").

In addition to approving the Company's request for a CEC, the Committee considered numerous conditions that would apply to the CEC. Commission Utilities Division Staff ("Staff") offered one recommended condition to the CEC. The condition, which required a physical separation between the proposed Project's tower structures and existing transmission towers, was not adopted by the Committee. Staff continues to believe that a tower separation condition would be appropriate to protect the public interest in reliable electric transmission, and therefore, pursuant to A.R.S. § 40-360.07(B), Staff requests Commission review of the Committee's decision so that the Commission may consider the addition of Staff's second proposed CEC condition.

Staff is likewise aware that certain procedural irregularities may have occurred in this

proceeding. Staff does not, however, believe that these procedural irregularities preclude the Commission from approving this CEC because they were reasonably addressed during the proceeding. Each of these issues is addressed in turn below.

REQUEST FOR REVIEW

Staff filed for intervention in this matter on July 7, 2008. At the evidentiary hearing, Staff provided one witness, Ray Williamson, to present its case. Mr. Williamson's testimony covered Staff's technical review of the engineering issues raised by the Project. Among his conclusions, Mr. Williamson noted that the Project will strengthen the Extra High Voltage system serving the Phoenix metropolitan area, thereby improving overall system reliability. Mr. Williamson further explained that Staff supports the approval of the Project because it will enhance APS' ability to meet its REST requirements.

In conjunction with Staff's concerns about reliability, Staff proposed one condition to the CEC through the testimony of Mr. Williamson. The proposed condition pertains to the separation of the Project's transmission towers from existing transmission structures by at least the height of the tallest tower in each respective span. However, the Committee did not accept Staff's proposed tower separation condition. As expressed in Staff exhibit CC-1, Staff recommended inclusion of the following condition:

The applicant shall maintain appropriate distance between the TS-5 to TS-9 500 kV line and other EHV lines in the same corridor. This distance should be at a minimum equal to or greater than the height of the tallest tower in each span.

Additionally, Mr. Williamson provided testimony that the inclusion of this tower and line separation condition would further enhance reliability by preventing "a severe cascading outage with an event that takes out not just one line but multiple lines." Tr. at 1150:25-1151:5. However, this condition was ultimately not included in the CEC adopted by the Committee. Moreover, during deliberations, the Committee indicated concerns regarding the appropriateness of Staff's continued offering of a pole separation condition. Tr. at 3597-3599.

Because Staff believes that including this condition in the CEC is appropriate and beneficial to the public interest in reliable delivery of electric utility service, Staff continues to recommend

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guidance from the Commission as to when and how the policies implicated by Staff's condition are

However, in light of the comments of the Committee, Staff believes it would be useful to obtain

inclusion of the condition to the CEC. Staff would likewise support the following condition using

The applicant shall maintain appropriate distance between the Project and existing

transmission lines in the same corridor. Except when crossing existing lines or

entering and exiting substations, this distance should be at a minimum equal to or

greater than the height of the tallest tower in each span.

language provided by APS in a proposed CEC submitted in this matter on November 26, 2008:

present. Pursuant to A.R.S. § 40-360.07(B), Staff requests review of the Committee's decision by the Commission for the purpose of considering the addition of Staff's proposed CEC condition or condition number seventeen (17) of the proposed CEC filed by APS on November 26, 2008.

III. PROCEDURAL IRREGULARITIES

Staff notes that certain procedural irregularities have occurred in other recent siting proceedings. *See generally* Staff's Request for Review filed in Docket No. L-00000GG-08-0407-00139 / L-00000GG-08-0408-00140 (case no. 139/140 or "Solana") and Staff's Request for Review filed in L-00000HH-08-0422-00141 (case no. 141 or "Coolidge") provided as Attachments A and B respectively. Although Staff notes that certain procedural irregularities occurred in this proceeding as well, these irregularities do not preclude the Commission from approving this CEC. The procedural issues discussed in this request for review consist of: (A) Open Meeting notice, (B) the tour, and (C) email communications.

A. OPEN MEETING NOTICE

Although Staff raised concerns in the recent Solana and Coolidge line siting cases regarding compliance with notice provisions of the OML statutes, Staff believes notice in this matter has complied with the OML statutes. The initial notice used a format consistent with the notice employed by prior Committee Chairmen. Further, the development of the notice issue occurred during the substantial space of time between hearings in this proceeding, thereby facilitating the use of notice forms that are appropriate under the OML.

¹ In order to focus on the most salient portions and conserve paper, Attachments A, B, D, E, F, and G, have been provided without attachments or pleadings.

B. TOUR

Despite concerns raised regarding the protocol used during the tour conducted in Docket No. L-00000HH-08-0422-00141 ("Coolidge"), Staff does not believe that the tour conducted in this matter should prevent the Commission from approving this CEC. Because of concerns raised by Staff over the protocol observed in a tour in the Coolidge line sitting matter and concerns raised by Staff relating to the Open Meeting Law ("OML"), the Committee excluded the tour conducted in this matter from consideration in its deliberations whether to approve the application. Tr. at 964, 3462. This treatment is not unreasonable because the Applicant presented a virtual tour as part of the evidentiary proceeding which visually described the routes and could serve as a substitute for an actual tour. Further, there is no indication on this record that the tour conducted herein involved the same conduct that raised the OML concerns present in the Coolidge proceeding. Staff believes that the Committee's exclusion of the tour from its consideration of the merits was designed to mitigate any procedural irregularities that may have been associated with the tour.

C. EMAIL COMMUNICATIONS

As the above-captioned matter progressed from the filing of the application through the conclusion of proceedings and the filing of the signed CEC, email communications were employed extensively to facilitate procedural and scheduling issues. In addition, potentially substantive emails were exchanged between parties and were sometimes copied to members of the Committee. In order for the public to have confidence that the record developed at the publicly held proceedings is complete and free of the concern that parallel proceedings were occurring outside of the public scrutiny, Staff filed copies of those emails that were distributed between parties and members of the Committee that Staff had in its possession on November 13, 2008. Because Staff's filing occurred before the Committee's proceeding was completed, the parties (and the public) had this information available to them during the course of the proceeding. For this reason, Staff believes that these email communications do not preclude the Commission from approving the CEC.

IV. CHANGES TO STANDARD CEC CONDITIONS

Earlier in this proceeding, the Chairman circulated to the parties certain draft conditions,

² An illustrative chain of emails is provided as Attachment C.

apparently as a starting point for discussions on how to enhance recurring standard conditions for use in this and other proceedings. The Commission, however, subsequently expressed concerns about its ability to follow the development of any changes to the standard conditions. In this case, Staff believes that the conditions approved by the Committee substantially incorporate the standard CEC conditions, are appropriate, and advance the public interest. In order to allay concerns that some of these "boilerplate" conditions have been excluded or inappropriately modified, Staff provides the following discussion of the development of the various conditions set forth in the CEC.

First, Staff notes that the CEC for line siting case 136 ("Sundance") (Decision No. 70325 (April 29, 2008)) appears to have been utilized by APS as the proposed template for the standard conditions and a copy is included as Attachment D. From that starting point, APS proposed a CEC that contained no new conditions but removed conditions 7, 8, and 14 and reworded portions of condition 10.³ A copy of the initially proposed CEC is provided as Attachment E.

Following the meet and confer process, the conditions were further modified although all the changes appear to have made the conditions more stringent. A copy of the proposed CEC with these changes is provided as Attachment F. Sundance conditions 7 and 8 were introduced to the proposed CEC as conditions 9 and 10. Standard conditions that were made more rigorous were proposed conditions 1 and 12.

Finally, the Committee approved language further modifying some of the standard CEC conditions during its deliberations, likewise by making the conditions more exacting and more specifically tailored to the facts of this application than the standard language. Conditions 1, 11, and 12 were so modified. At Staff's suggestion, the Committee also modified condition 17 although the change was nonsubstantive. A copy of the final CEC is provided as Attachment G.

V. CONCLUSION

For the above stated reasons, Staff requests review of the CEC filed in this matter. Staff supports this project and urges the Commission to approve the CEC. Staff does, however, recommend that the Commission include Staff's pole separation condition as described in this filing.

³ Condition 14 to the Sundance CEC was specific to the facts of that case. APS witness Mike Dewitt provided testimony evidence to explain APS' removal of conditions 7 and 8 as well as the modifications to condition 10. Tr. at 215-221.

1	Further, although Staff has discussed certain procedural matters in Sections III.B and III.C, Staff		
2	does not believe that these issues preclude the Commission from approving this CEC, and Staff		
3	continues to support this project on the merits.		
4	RESPECTFULLY SUBMITTED this 13th day of January, 2009.		
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6	Charles H. Hains		
7	Ayesha Vohra Attorneys, Legal Division		
8	Arizona Corporation Commission 1200 West Washington Street		
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12	Docket Control		
13	Arizona Corporation Commission 1200 West Washington Street		
14	Phoenix, Arizona 85007		
15	Copies of the foregoing mailed/e-mailed this 13 th day of January, 2009 to:		
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19	By Dawn a Wilson				
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ATTACHMENT A

OPEN MEETING AGENDA ITEM

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

2	COMMISSIONERS	7800 NOV =
3	MIKE GLEASON, Chairman	2000 NOV -5 P 3: 1!
4	WILLIAM A. MUNDELL JEFF HATCH-MILLER	AZ CORP CONTROL DOCKET CONTROL
5	KRISTIN K. MAYES GARY PIERCE	TOURT OCK THOSE
6		
	IN THE MATTER OF THE APPLICATION OF	
7	ARIZONA SOLAR ONE, LLC IN CONFORMANCE WITH THE	DOCKET NO. L-00000GG-08-0407-00139
8	REQUIREMENTS OF ARIZONA REVISED	Arizona Commission
	STATUES §§ 40-360, et seq., FOR A	CASE NO. 139 DOCKETED
9	CERTIFICATE OF ENVIRONMENTAL	
	COMPATIBILITY AUTHORIZING THE	NW - 0 2008 .
10		
11	GENERATING STATION, LOCATED IN SECTION 9, TOWNSHIP 6 SOUTH, RANGE 7	DOC WILLIAM TO TO
	WEST, MARICOPA COUNTY, ARIZONA.	
12		
	ARIZONA SOLAR ONE, LLC IN	
13	CONFORMANCE WITH THE	DOCKET NO. L-00000GG-08-0408-00140
	REQUIREMENTS OF ARIZONA REVISED	C. C
14	STATUES §§ 40-360, et seq., FOR A CERTIFICATE OF ENVIRONMENTAL	CASE NO. 140
15	COMPATIBILITY AUTHORIZING THE	
, ,	CONSTRUCTION OF THE SOLANA GEN-TIE,	
16		ARIZONA CORPORATION
	GENERATING STATION, LOCATED IN	COMMISSION STAFF'S REQUEST
17	MARICOPA COUNTY, AND TERMINATES AT	FOR REVIEW
	THE PANDA 230 kV SUBSTATION, LOCATED	
18	IN GILA BEND, ARIZONA.	

I. INTRODUCTION.

A formal evidentiary hearing for the above-captioned matter was held over the course of three days between September 22, 2008, and October 14, 2008, before the Arizona Power Plant and Line Siting Committee ("Committee"). On October 21, 2008, Committee Chairman John Foreman filed with the Arizona Corporation Commission ("Commission") the Committee's decision and order approving Arizona Solar One's ("Applicant") request for a Certificate of Environmental Compatibility ("CEC") for a Solar-Thermal Generating Station ("Solar Plant") and a 230 kV power line ("Gen-Tie").

In addition to approving the Company's request for a CEC, the Committee considered numerous conditions that would apply to the CEC. Staff offered two recommended conditions to the

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CEC. The first condition was accepted and is included in the CEC approving the Gen-Tie as Condition 15. The second condition, which required a physical separation between the proposed Gen-Tie's tower structures and existing transmission towers, was not adopted by the Committee. Staff continues to believe that a tower separation condition would be appropriate to protect the public interest in reliable electric transmission, and therefore, pursuant to A.R.S. § 40-360.07(B), Staff requests Commission review of the Committee's decision so that the Commission may consider the addition of Staff's second proposed CEC condition.

As an additional matter, Staff is proposing a minor clarification to the corridor as described in the CEC. The Committee voted to approve a corridor for the Gen-Tie facilities that modified the corridor that the Applicant originally requested. Owing to ambiguity associated with the description of the corridor related to the Gen-Tie's connection to the Panda 230 kV substation, Staff of the Commission's Utilities Division ("Staff") is offering for the Commission's consideration language to clarify that segment of the corridor.

Staff is likewise aware that certain procedural irregularities occurred in this proceeding. Staff does not, however, believe that these procedural irregularities should affect the Commission's decision in this matter because they were reasonably addressed during the proceeding. Finally, Staff suggests that it is appropriate to complete the record in this matter with certain e-mails that have been circulated during the course of this proceeding, and Staff has therefore included those e-mails with this filing. Each of these issues is addressed in turn below.

II. BACKGROUND.

Staff filed for intervention in this matter on August 14, 2008. At the evidentiary hearing, Staff provided two witnesses, Bob Gray and Ray Williamson, to present its case. Mr. Gray discussed the natural gas issues that are implicated by the "need" evaluation associated with the Solar Plant. Specifically, Mr. Gray addressed the Applicant's testimony concerning 1) the benefits of solar thermal generation as a means to diversify energy sources; 2) Arizona's growing reliance on natural gas as a fuel source and the concomitant vulnerability to fluctuation in natural gas prices; 3) the potential of the proposed Solar Plant to affect natural gas prices observed in Arizona; and, 4) the Solar Plant's ability to help APS meet its Renewable Energy Standard ("REST") requirements. As

Mr. Gray testified, although in isolation the Solar Plant will likely not produce sufficient electricity to have a significant impact on natural gas pricing, the Solar Plant will contribute to the public interest by diversifying Arizona's energy resources as well as satisfying APS' REST requirements. Further, Mr. Gray noted that, as projects similar to the Solar Plant move forward, the underlying technology will become more common and likely less expensive.

Mr. Williamson's testimony covered Staff's technical review of the engineering issues raised by the Solar Plant and the Gen-Tie. Among his conclusions, Mr. Williamson noted that certain system improvements will be necessary in order to reliably interconnect the Solar Plant with APS' grid. Mr. Williamson further explained that Staff supports the approval of the Solar Plant and Gen-Tie because they will enhance APS' ability to meet its REST requirements and will provide clean renewable energy for Arizona. Mr. Williamson concluded that, through employment of thermal salt storage, the Solar Plant will be able to provide dispatchable electricity to the grid throughout APS' peak service hours. Finally, Mr. Williamson noted that the Solar Plant will improve APS' ability to reliably meet its load requirements, provided that needed system improvements are made prior to interconnection with the grid.

In conjunction with Staff's concerns about reliability, Staff proposed two conditions to the CEC for the Gen-Tie through the testimony of both Mr. Gray and Mr. Williamson. The first condition requires cathodic protection studies about the effect that high voltage lines might have when placed in close proximity to natural gas and hazardous chemical underground pipelines. The second condition pertains to the separation of the Gen-Tie's transmission towers from existing 230 kV structures by at least the height of the tallest tower in each respective span. The Committee accepted the condition relating to cathodic protection studies, and it is incorporated as Condition 15 of the CEC for Line Siting case 140. However, the Committee did not accept Staff's proposed tower separation condition.

III. REQUEST FOR REVIEW.

A. <u>Pole Separation.</u>

As part of Mr. Williamson's testimony, Staff proposed a condition to further enhance the reliability of the Gen-Tie by separating its transmission towers from existing transmission towers

consideration, the condition stated:

The Applicant shall maintain appropriate distance between the Project and existing 230 kV transmission lines in the same corridor. Except when crossing existing lines or entering and exiting substations, this distance should be at a minimum equal to or greater

already present in the approved corridor. As presented to the Committee and modified for its

than the height of the tallest tower in each span.

Staff believes that a tower separation condition would serve the public interest by enhancing the reliability of the Gen-Tie. As explained by the application, the towers that Applicant proposes to construct for the Gen-Tie could be as tall as 190 feet. Tr. at 491:5-6. Further, there is an existing 230 kV transmission line owned by APS within the same corridor that the Committee approved for the Gen-Tie. Tr. at 112. That existing transmission line utilizes wooden poles to suspend the line. Tr. at 403:19-20.

The Applicant has stated that its construction plans contemplate a pole separation from the existing wooden structures by an increment equal to the height of the tallest wooden structure in the respective span. Tr. at 403:3-11, Exhibit A-8 at 8:1-2. This measure will improve transmission reliability by limiting the damage that a failing wooden structure may inflict on the 230 kV Gen-Tie. Staff suggests that a pole separation condition should be included to protect the preexisting transmission line from the Gen-Tie as well. Consequently, Staff recommends that the Commission require a tower separation condition that provides for the mutual protection of either the wood frame 230 kV line or the Gen-Tie in the event of a tower failure on either line.

In the alternative, Staff believes that it would be appropriate to memorialize the Applicant's commitment to maintain a tower separation equal to the height of the tallest wooden transmission structure on the existing 230 kV line if the Commission concludes that Staff's pole separation condition is not necessary. As Applicant has noted, wooden tower structures are more at risk of failure than steel monopole structures. Tr. at 402:21 – 403:2. Further, it would be beneficial to specifically set forth the parameters governing the Gen-Tie's construction by including a condition that specifies a minimum tower separation. In the event that the Commission believes that a tower separation condition premised upon protecting the Gen-Tie towers from the existing wooden towers

is appropriate for this CEC, Staff would recommend the following language:

The Applicant shall maintain appropriate distance between the Project Gen-Tie towers and existing 230 kV transmission lines in the same corridor. Except when crossing existing lines or entering and exiting substations, this distance should be at a minimum equal to or greater than the height of the tallest wooden 230kV transmission tower in each span.

B. Clarification of CEC Corridor.

During its deliberations, the Committee approved a corridor that modified what the Applicant had proposed in its application for CEC. Notably, the evidence on the record indicates that the Committee reduced the requested corridor widths along the route. The wording in the CEC that expresses the modification may be considered as ambiguous in its description the Gen-Tie connection to the Panda 230 kV substation.

As described in the CEC, the relevant segment is:

At the point along the section line / Watermelon Road alignment located parallel to the eastern boundary of the existing APS Panda 230 kV Substation, the route extends 1,000 feet north of Watermelon Road, within a 500-foot wide corridor east of the existing APS Panda 230 kV Substation.

Line Siting Case 140, CEC at 4.

The ambiguity arises from the description of a 1,000 feet of corridor as an additional leg of the *route*, instead of the *corridor*. In order to clarify that the segment is a corridor adjustment and not an additional route segment, Staff proposes for the Commission's consideration the following language in place of the present description:

At the point along the section line / Watermelon Road alignment located south of the eastern boundary of the existing APS Panda 230 kV Substation, the corridor also extends 1,000 feet north of Watermelon Road, for 500 feet east of the existing APS Panda 230 kV Substation.

Staff has discussed this proposed change with the Applicant and is informed that the Applicant finds this clarification acceptable.

C. Procedural Issues.

In another siting proceeding before the Committee, certain procedural irregularities have occurred that required the Committee to conduct a ratification proceeding pursuant to A.R.S. § 38-

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431.05.B. See Docket No. L-00000HH-08-0422-00141 ("Coolidge"). Although the Solana proceeding has also experienced certain procedural irregularities, they do not require ratification.

Although there was a public notice of hearing dated August 6, 2008, that was published and posted for the hearings in this case, the August 6th hearing notice did not comply with the notice and agenda requirements of the Open Meeting Law ("OML"). See Attachment A. As a result, two days of the Solana hearings were not properly noticed in accordance with OML. See A.R.S. § 38-431.02. However, unlike the Coolidge case, the defective notice was discovered before the Committee voted on the merits of the application. An appropriate notice was then issued and posted, see Attachment B, and the Committee mitigated the issues created by the defective notice by admitting the transcripts from the first two days of hearing. Tr. at 330:12-14. Staff believes that these efforts were designed to mitigate the issues associated with the defective notice.

In the Coolidge matter, there were also various issues associated with the conduct of the tour. See Docket No. L-00000HH-08-0422-00141, Arizona Corporation Commission, Staff's Request for Review and Notice of Filing of Concerns Related to Irregularities in Proceedings at 4-7, October 21, 2008. For example, the tour in the Coolidge proceeding appears to have involved off-the-record ex parte communications between Committee members and the Applicant. These off-the-record discussions raise issues related to the OML, the Commission's ex parte rule, and the siting statutes, among others. Id. In the Solana proceeding, however, there is no indication that the same issues exist with respect to the tour. In any case, the Committee excluded the tour from its consideration of the merits of the case. Tr. at 336:8-13. This treatment is not unreasonable because the Applicant presented a virtual tour as part of the evidentiary proceeding which visually described the routes and could serve as a substitute for an actual tour. Staff believes that the Committee's exclusion of the tour from its consideration of the merits was designed to mitigate any procedural irregularities that may have been associated with the tour.

D. Supplementation of the Record.

As the above-captioned matter progressed from the filing of the application through the conclusion of proceedings and the filing of the signed Certificates of Environmental Compatibility, e-mail communications were employed extensively to facilitate procedural and scheduling issues. In

addition, potentially substantive e-mails were exchanged between parties and were sometimes copied to members of the Committee. Staff believes that, in order for the public to have confidence that the record developed at the publicly held proceedings is complete and free of the concern that parallel proceedings were occurring outside of the public scrutiny, it would be appropriate to provide in the docket copies of those e-mails that were distributed between parties and members of the Committee.

Staff did not voice any concerns earlier surrounding the use of e-mails in this proceeding in consideration of an e-mail between Committee Chairman Foreman and parties to another line siting proceeding in which the Chairman indicated that all future e-mails should be docketed. See Attachment C. Although Staff believed at that time that the Chairman intended to docket all future e-mails that might be substantive in nature, the Chairman's intent may have been narrower in scope. See Docket No. L-00000D-08-0330-00138, Procedural Order, October 31, 2008.

Staff continues to believe that any e-mail that is arguably related to the substance of this proceeding is part of the record and should be docketed. Consequently, Staff hereby provides notice of filing those e-mails between parties and Committee members which are in Staff's possession. These e-mails are provided in the attached printouts of e-mail communications, labeled as Attachments D and E. Likewise, Staff respectfully requests that the other parties, as well as the Committee members, docket any additional e-mail communications that are not already included in this filing which were between any party and any Committee member(s).

E-mails provided under Attachment D are the printed copies of all e-mails exchanged between parties and Committee members that Staff has in its possession. E-mails that are provided under Attachment E are a selection of e-mails that illustrate stet how e-mails may inadvertently stray into substantive discussion off the record.

Therefore, in order to complete the record and to provide a fuller context for the discussions that occurred during the noticed proceedings, Staff provides these e-mails so that they may be recognized as part of the record herein. Staff also respectfully requests that any additional e-mails between any party and any Committee member(s) not included in Attachment A to this pleading be filed with the docket in this matter.

¹ Staff notes that, in order to present the sequence of e-mails received and responses provided by other individuals, several of the e-mails produced within the Attachments are duplicated in later e-mail responses.

IV. CONCLUSION.

In summary, Staff supports this project and urges the Commission to approve these CECs. Staff does, however, recommend that the Commission include Staff's pole separation condition as described on pages 3-4 of this filing. Staff also recommends that the Commission clarify the approved corridor that is described in the CEC as set forth in Section III.B of this filing. Finally, although Staff has discussed certain procedural matters in Sections III.C and III.D, Staff does not believe that these issues preclude the Commission from approving these CECs, and Staff continues to support this project on the merits.

RESPECTFULLY SUBMITTED this 5th day of November, 2008.

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Charles H. Hains
Robin R. Mitchell
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
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(602) 542-3402

Original and twenty-eight (28) copies of the foregoing filed this 5th day of November, 2008 with:

Docket Control Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007

Copies of the foregoing mailed this 5th day of November, 2008 to:

John Foreman, Chairman Arizona Power Plant and Transmission Line Sitting Committee Office of the Attorney General 1275 West Washington Street Phoenix, Arizona 85007

28

ATTACHMENT B

ORIGINAL

27

28

OPEN MEETING AGENDA ITEM

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Janice Alward (005146) RECEIVED Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007 2008 OCT 21 ₱ 4: 36 Telephone: (602) 542-3402 Fax: (602) 542-4870 AZ CORP COMMISSION 4 Arizona Corporction Commission DOCKET CONTROL 5 DOCKETED 6 BEFORE THE ARIZONA POWER PLANT AND OCT 2 I 2008 7 TRANSMISSION LINE SITING COMMITTEE DOCKETEDBY IN THE MATTER OF THE APPLICATION DOCKET NO. L-00000HH-08-0422-00141 OF COOLIDGE POWER CORPORATION IN Case No. 141 10 CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES 40-360.03, FOR A CERTIFICATE Arizona Corporation Commission OF ENVIRONMENTAL COMPATIBILITY 12 **AUTHORIZING CONSTRUCTION OF A** Staff's Request for Review and Notice NOMINAL 575 MW NATURAL GAS-FIRED, of Filing of Concerns Related to SIMPLE CYCLE GENERATING FACILITY 13 Irregularities in Proceedings LOCATED WITHIN THE CITY OF 14 COOLIDGE IN PINAL COUNTY, ARIZONA 15 I. INTRODUCTION. 16 In the above-captioned siting application, a site tour occurred on Monday, September 29. 17 2008. Thereafter, there were two days of hearing on September 30 and October 1, 2008, before the 18 Siting Committee ("Committee"), an evening public comment session on September 30, 2008, and a Committee vote approving the application on October 1, 2008. The Arizona Corporation 19 20 Commission Staff ("Staff") became a party to the proceedings after filing an application for 21 intervention. No Staff member or Staff attorney attended the site tour. 22 During the course of the hearing on September 30, 2008, testimony by the applicant's 23 witnesses and comments by its attorney revealed that there had been off-the-record discussions 24 between Committee members and the applicant's representatives and attorneys during the site tour 25 held on September 29, 2008. See Docket No. L-00000HH-08-0422-00141, Transcript of Record 26 ("Tr.") at 91:23-101:3. Staff Counsel raised concerns on the record about the possibility of Open

Meeting Law ("OML") and ex parte issues related to the tour. Tr. at 117:9-15. After an off-the-

record discussion with the applicant's attorneys, Staff Counsel was not able to obtain sufficient information to form an opinion as to (1) whether the OML notice was adequate, or (2) whether the off-the-record discussions complied with siting statutes and rules, including the siting rule prohibiting ex parte discussions. Tr. at 125:24-126:19. On the record, Chairman Foreman directed Staff Counsel to docket her concerns with supporting analysis. Tr. at 124:21-125:1.

On September 30, and October 1, 2008, the Committee continued to hear evidence and take public comment; on October 1, 2008, the Committee also discussed the application and voted to approve it. On October 6, 2008, the Chairman docketed a Certificate of Environmental Compatibility ("CEC") in the form approved by the Committee.

After the conclusion of the siting proceedings, Staff Counsel discovered that there had not been a notice and agenda that complied with the OML for the site tour, the two days of hearing, or the Committee vote to approve a CEC for the application. Moreover, the Committee proceedings related to the site tour did not comply with the August 14, 2008, public notice of hearing, the siting statutes, the Commission's rules related to siting hearings, or the siting rule related to ex parte communications.

Although Staff has no issue with the technical merits of the Project, the totality of the procedural irregularities in the proceedings have the potential to diminish the Commission's and the public's confidence in this record. Therefore, Staff files this Request for Review pursuant to A.R.S. § 40-360.07 for the Commission's full consideration and determination of whether granting the Project a CEC is in the public interest under these circumstances. Initially, Staff notes that the decision to approve a siting application has significant impacts upon broad public interests. For this reason, the integrity of the record is especially important in these matters.

II. IT APPEARS THAT THERE WAS NO NOTICE AND AGENDA FOR THE COOLIDGE SITING PROCEEDINGS THAT SUFFICIENTLY COMPLIED WITH OPEN MEETING LAW.

The Open Meeting Law statutes ("OML") apply to public meetings of the Committee. See A.R.S. § 38-431, et seq. The Committee's open meetings must be noticed and posted with an agenda

in a manner that complies with A.R.S. § 38-431.02. Although there was an August 14, 2008, public notice of hearing that was published and posted for the hearings in this case, the August 14th hearing notice did not comply with the notice and agenda requirements of the OML. See A.R.S. § 38-431.02. The August 14th hearing notice does not refer in any way to the OML, does not state that there will be an open meeting held by the Committee on the Coolidge application, does not refer to the hearing proceedings as an open meeting held by the Committee, does not set forth an agenda for the meeting, and most importantly, does not state or otherwise provide notice that the Committee will hear evidence, discuss, or vote on the Coolidge application for a CEC. See August 14th Hearing Notice, Attachment A. Thus, the August 14th hearing notice did not provide the required open meeting notice that the Committee, sitting as a public body, would take evidence, discuss, or vote on Coolidge's application for a CEC. In short, the Committee's proceedings in this matter were not properly noticed to the public as open meetings.

In a Siting Committee proceeding, the issuance and posting of an Open Meeting Law notice and agenda are under the purview and responsibility of the Attorney General or his designee, who by statute sits as the Chairman and Presiding Officer of the Siting Committee. Thus, the process of issuing and posting a notice and agenda that complies with OML is typically transparent to the Committee members and the parties to a siting application. In this instance, it appears that the Committee members and the parties were unaware that an OML notice and agenda had not been issued and posted by the Chairman as is normally the case.

Furthermore, there is no reason to assume that the Committee members who attended the site tour had any reason to believe that the tour was not being conducted in accordance with properly noticed protocols issued by the Chairman. In fact, at the procedural conference held on September 19, 2008, the Chairman indicated that he would be issuing an "open meeting posting" concerning the tour. Prehearing Conference, Tr. at 17:15-21. Unfortunately, no such open meeting notice appears to

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As discussed below, the failure to provide for transcription of the matters discussed on the tour raises other issues under the siting laws.

have been made. In sum, the protocol used for the tour would not have been inappropriate if it had been properly noticed in accordance with the OML.

In addition, an important point must be made concerning the OML discussions in this filing. Staff wants to make it clear that nothing in this record indicates that anyone intended to knowingly circumvent the application of the OML to the Committee's proceedings.

III. THE COMMITTEE PROCEEDINGS DID NOT COMPLY WITH THE AUGUST 14TH HEARING NOTICE.

A. The August 14, 2008 Public Hearing Notice Prohibited Off-The-Record Ex Parte Discussions On The Tour.

The published and posted August 14th notice states in relevant part that

[t]he Committee may conduct a tour of the Project Site on Monday, September 29, 2008. The map and itinerary for the tour will be posted on the Project website. The tour will depart from the Coolidge Youth Center at approximately 1:30 p.m. Members of the public may follow the Committee on the tour in their own private vehicles. During the tour the Committee will not deliberate in any manner concerning the merits of the Application or the Project.

(Emphasis added). The notice also states in relevant part that

[t]hese proceedings are governed by Arizona Revised Statutes Section 40-360 and 40-360.13 and Arizona Administrative Code Rules R14-3-220 and R14-3-113.

And, the notice further states that "[n]o substantive communications, not in the public record, may be made to any member of the Committee."

Contrary to these provisions in the August 14th notice of hearing, applicant's representatives and attorneys discussed evidentiary matters concerning the application with the Committee members on the tour. These discussions occurred off the record, outside the presence of the Staff, and without a court reporter. On the tour, the applicant's representatives and attorneys discussed evidentiary and factual matters, such as the height of the stacks, size and mass of the project, and the project's

appearance. See Tr. at 95:19-101:3, 118:17-124:20. The off-the-record tour discussions also included comparisons to factual information filed in the application, (Tr. at 122:8-123:8), as well as comparisons to a previously sited plant. Tr. at 96:11-101:3.

The hearing notice states there will be no deliberations by the Committee on the tour and that the hearing will commence on September 30, 2008, one day after the tour. However, the Committee heard, received, and exchanged facts and evidence about the application on the tour. Under several Attorney General ("AG") opinions, it is clear that the definition of "deliberations" by a public body is not limited to discussing or exchanging viewpoints at the time of vote. The "exchange of any facts relating to a matter which forseeably might require some final action" by a public body are by definition "deliberations" under the OML. Ariz. Op. Atty. Gen. 105-004; 197-012; 179-4; 175-8. When the Committee members heard and discussed facts and evidence related to matters stated in the application, they conducted "deliberations" as that term is defined in the AG opinions. If there were to be an assertion that the term "deliberation" under the OML is more narrowly defined, that assertion would appear to be dispelled by the unequivocal language in the above-cited AG opinions. ²

There may be an issue as to whether there was a Committee quorum on the tour and whether the OML applied to the tour if by happenstance there was no quorum. The transcript from the September 30th hearing indicates that there were five Committee members on the tour, including the Chairman. Tr. at 122:1-3. Thus, it appears that there was one less member than required for a quorum in attendance on the tour. Even assuming that the absence of a quorum eliminates any OML violation, the conduct on the tour nonetheless raises concerns as to fundamental fairness. As the Chairman stated at the prehearing conference:

What I would like to do is do an open meetings posting with this, so we will make sure - - I'm not sure that is fully necessary, since there will be no discussions concerning the merits of the application at that time, but out of an abundance of caution, I think it is just good practice to do a public meetings posting of the route tour.

² If the AG's view about the definition of the term "deliberation" is now different than that stated in its published opinions, it would appear that some public statement to that effect would be appropriate guidance for all public bodies covered by the OML.

Prehearing Conference Tr. at 17:15-21. In light of the Chairman's statements, the parties (as well as the public) had no reason to believe that discussions concerning the merits of the application would occur on the tour.

Even if the communications on the tour itself when viewed in isolation do not constitute OML violations, such issues may be raised by the discussions of the tour on the record at the September 30th hearing, which was not properly notice under the OLM. These on-the-record discussions about the tour appear to be serial communications as to facts and evidence related to the application. These communications were received and exchanged by the Committee members on the tour and then subsequently communicated to those members that did not attend. A recent AG opinion addresses serial communications and states:

[t]he requirement that the OML be construed in favor of open and public meetings leads to the conclusion that simultaneous interaction is not required for a "meeting" or "gathering" within the OML. "public official may not circumvent public discussion by splintering the quorum and having separate or serial discussions. . . . Splintering the quorum can be done by meeting in person, by telephone, electronically, or through other means to discuss a topic that is or may be presented to the public body for a decision. . . . Thus, even if communications on a particular subject between members of a public body do not take place at the same time or place, the communications can nonetheless constitute a "meeting".

Ariz. Op. Atty. Gen. I05-004 at 3-4 (internal citations omitted); see also Ariz. Op. Atty. Gen. I08-008 at 4.

Also, the hearing notice states that the Committee proceedings are governed by the siting statutes and the *ex parte* rule. However, again contrary to the hearing notice, the tour discussions did not comply with the siting statutes and the *ex parte* rule. Neither the public nor Staff had notice, actual or constructive, that the applicant's representatives and its attorneys would discuss evidence concerning the application with Committee members on the tour, outside of the transcribed proceedings and in contravention of the *ex parte* rule. Indeed, just the opposite was true. Relying on the notice, Staff and the public would believe that no such off-the-record communications would take place.

Finally, the off-the-record discussion on the tour did not comply with the last sentence of the notice, which states that no substantive communications, not in the public record, would be made to any member of the Committee. In direct contradiction of this statement, the applicant's representatives and attorneys discussed the application with Committee members off the record and without a court reporter present.

B. The Procedural Protections Embodied In The Open Meeting Law And The Siting Laws Are Not Limited To "Contested" Matters.

On the record at the September 30th hearing, the Chairman stated that no "contested" matter was discussed on the tour. Tr. at 122:22-123:8. OML and the Siting Law prohibitions concerning the exchanging and receiving of facts and evidence are not limited to discussions of "contested" matters by a public body. Moreover, in siting cases, no committee member could determine with certainty what evidence might be controversial or contested before the hearings commenced and public comment was taken. For example, in Siting Case No. 112 (Toltec project application), public comment raised the subsidence and water table issues that became significant and controversial points in that proceeding. In fact, the Toltec application was eventually denied in substantial part based upon those issues. See Decision No. 64446, Docket No. L00000Y-01-0112, (Feb. 6, 2001).

C. <u>The Off-The-Record Evidence Was Significant To The Committee's Consideration Of The Application.</u>

The impact on the site of the Project's size, height, mass, position, and appearance are essential points in the Committee's evaluation of the environmental factors. See A.R.S. § 40-360.06. The siting rules require this information in the application. See A.A.C. R14-3-219. In Siting Case No. 105 (SRP's Santan project application), largely as a result of the public's concern related to height and size issues, the CEC plant site approval was conditioned upon substantial mitigation of visual impacts. See Decision No.63611, Docket No. L00000B-00-0105, (May 1, 2001).

³ In this case, the site tour occurred on September 29, 2008. The public comment session did not occur until the evening of the next day, September 30, 2008.

, 1	IV. EVEN IF THE AUGUST 14 TH HEARING NOTICE HAD NOT EXPLICITLY		
2	PROHIBITED OFF-THE-RECORD EX PARTE DISCUSSIONS BETWEEN THE APPLICANT'S REPRESNITATIVES AND THE COMMITTEE MEMBERS ON THE TOUR, THE SITING LAWS PROHIBITED THE DISCUSSIONS.		
3			
4	A. The Off-The-Record Discussions Conducted During The Site Tour Did Not		
5	Comply With The Siting Statute Governing Proceedings Before The Siting Committee.		
6	A.R.S. § 40-360.04.C states:		
7	The committee or hearing officer shall receive under oath and before a		
8	court reporter the material, nonrepetitive evidence and comments of		
9	the parties to the proceedings and any rebuttal evidence of the applicant, and the committee or hearing officer may require the		
10	consolidation of the representation of nongovernmental parties having similar interests.		
11			
12	(Emphasis added). This statute speaks for itself. It prohibits the Committee from hearing evidence		
13	and comments by the parties that are not under oath and that are not transcribed by a court reporter.		
14	The site tour discussions did not comply with this statute.		
15	B. The Off-The-Record Discussions Conducted During The Site Tour Did Not		
16	Comply With Siting Rules Governing Proceedings Before The Siting Committee.		
17	A.A.C. R14-3-208.D states:		
18	The Presiding Officer shall receive under oath and before a court		
19	reporter the material, nonrepetitive evidence, and comments of the parties to the proceedings and any rebuttal evidence of the applicant.		
20	The second secon		
21	(Emphasis added). This rule prohibits the Committee from hearing evidence and comments by the		
22	parties that are not under oath and that are not transcribed by a court reporter. The site tour		
23	discussions did not comply with this rule.		
24	C. The Off-The-Record Discussions Conducted On The Site Tour Did Not Comply		
	With The Siting Committee's Ex Parte Rule.		
25 26	R14-3-220 states:		
27	A. Purpose. It is the purpose of this rule to assist members of the Arizona Power Plant and Line Siting Committee in avoiding the		
28	Tailoina 1 on of 1 mile and blind blening Committee in avoiding tile		

1		possibility of prejudice, real or apparent, to the public interest in proceedings before the Siting Committee.		
2	B.	Application. The provisions of this rule apply from the time a notice		
		of siting hearing is published pursuant to R14-3-208(A).		
5	C.	Prohibitions.		
6		1. No person shall make or cause to be made an oral or written communication, not on the public record, concerning the		
7	1.	substantive merits of siting hearing to member of the Siting Committee involved in the decision-making process for that		
8		siting hearing.		
9		2. No member of the Siting Committee shall request, entertain, or consider an unauthorized communication concerning the		
10		merits of a siting hearing.		
11		3. The provisions of this rule shall not prohibit:		
12		a. Communications regarding procedural		
13		matters;		
14 15		b. Communications regarding any other proceedings;		
I		c. Intra-agency or non-party communications		
16		regarding purely technical and legal matters.		
17	D. Remedy.			
18		1. A member of the Siting Committee who receives an oral or		
19	written offer of any communication prohibited by this rule must decline to receive such communication and will explain that the hearing is pending for determination and that all communication			
20				
21		regarding it must be made on the public record. If unsuccessful in preventing such communications, the recipient will advise the		
22		communicator that the communication will not be considered, a brief signed statement setting forth the substance of the		
23		communication and the circumstances under which it was made, will be prepared, and the statement will be filed in the public		
24		record of the siting hearing.		
25		2. Any person affected by an unauthorized communication will		
26		have an opportunity to rebut on the record any facts or contentions contained in the communication.		
27				
28				

3. If a party to a contested siting hearing makes an unauthorized communication, the party may be required to show cause why its claim or interest in the siting hearing should not be dismissed, denied, disregarded, or otherwise adversely affected on account of such violation.

This rule speaks for itself as to its effect and purpose. In relevant part, it prohibits the parties to a siting proceeding and Committee members from discussing a pending matter off the record outside the presence of another party to the proceeding. The site tour discussions did not comply with this rule.

V. DUE PROCESS.

Under the siting statutes, the siting process includes an evidentiary hearing before the Committee. See A.R.S. § 40-360.04. The Committee evaluates the proposed project in light of the environmental factors identified in A.R.S. § 40-360.06 and makes its decision on the application. The Commission then considers the Committee's evidentiary record and the Committee's decision, and determines whether to grant or deny a CEC to the applicant by balancing the need for the project with its impact on the environment. See A.R.S. § 40-360.07.

In light of the irregularities described above, it could be asserted that fundamental due process

was not afforded to the public, thereby undermining both the public interest and the Commission's

confidence in the Siting Committee's record, which is the evidentiary basis for the Commission's

ultimate decision. Projects of this type have the potential to significantly impact the environment and

ecology of Arizona, and should therefore be subject to high standards of scrutiny.

RATIFICATION OF THE COOLIDGE SITING PROCEEDINGS.

₂₂ VI.

Any legal action by a public body that does not comply with the OML is void unless ratified pursuant to A.R.S. § 38-431.05.B. The Chairman has, however, issued an open meeting notice and agenda to provide an opportunity for the Committee to consider ratification pursuant to OML of its approval of the CEC. Notice and Agenda for Ratification, Attachment B. The Committee ratification proceedings are scheduled for October 30, 2008 in Coolidge, Arizona.

The Committee could choose to pursue ratification and vote to approve the CEC by ratifying its earlier vote. However, that is not the only possible outcome of further proceedings. The majority of the Committee may vote not to ratify the previous approval.

Whatever the outcome, the matter will then come before the Commission. Under the statutory siting process, the Commission has the ultimate authority to grant or deny Coolidge a CEC based upon the evidentiary record transmitted by the Committee. The Commission may determine that the irregularities in the proceedings before the Committee diminish the integrity of the record, and the Commission may elect to deny the CEC in order to protect the public interest. On the other hand, the Commission could determine that the ratification process has ameliorated the OML and other procedural irregularities, and may vote to grant the applicant a CEC.

VII. CONCLUSION.

Staff is not bringing this Request for Review based upon any technical aspects of the Project. In its analysis, Staff concluded that approval of the Project is appropriate on the merits. However, the procedural irregularities presented by this record are not insubstantial, and Staff believes that it is important to bring these matters to the Commission's attention in a request for review. Siting power plants and transmission lines is a difficult task, and projects that are sited cannot be easily removed from the Arizona landscape. Because the environment and the ecology of the state is significantly impacted by each sited project, protection of the public concern is paramount. In light of that public concern, it is important that the Commission be aware of the totality of the record when it makes its decision in this matter.

Respectfully Submitted this 21st Day of October, 2008.

lánice M. Alward

Chief Counsel, Legal Division

ie Modward

ATTACHMENT C

Charles Hains

From: Sent:

Acken, Albert [AAcken@Irlaw.com] Monday, September 29, 2008 5:19 PM

To:

Campbell, Tom; John Foreman

Cc:

meghan.grabel@aps.com; michael.dewitt@aps.com; Lawrence.Krueger@aps.com; amorre@ecllaw.com; Charles Hains; chrich@roselawgroup.com; crk@davidsonlaw.net; cwelker@holmwright.com; dcj@tblaw.com; gary.birnbaum@mwmf.com; ghays@lawgdh.com; hharpest@holmwright.com; jdrazek@quarles.com; jguy@buckeyeaz.gov;

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susan.watson@dlapiper.com; swene@lawms.com; TubacLawyer@aol.com; Campbell, Tom RE: CEC CONDITIONS

Subject:

Chairman Foreman

Thank you for the opportunity to comment on your draft CEC conditions. The concept you have presented, to have clear and appropriate CEC conditions, is a good one. Over the years, as various conditions have been modified and new conditions added, many conditions have become somewhat duplicative, unclear in meaning, or simply outdated. While the Applicant makes a good faith effort before filing a draft CEC to tailor standard conditions to the specific project at issue, identify and eliminate outdated conditions, and add new conditions as warranted, it is an ongoing effort.

Following are our specific comments to some of the draft conditions you have proposed:

1. In recent cases, term limits imposed in CECs have varied from five years (see, e.g., Case 129) to nearly 20 years (see, e.g., Cases 126, 132, and 137), depending on the specifics of each case. The Applicant agrees with this ongoing practice of evaluating term length on a case by case basis. As a result of numerous case-specific factors, limiting the term to five years in this case will likely impose additional burdens on the Applicant, Commission Staff, the Commission and perhaps others.

Additionally, the Applicant and other utilities have heard repeatedly from the Commission, local jurisdictions, and other stakeholders that they want utilities to engage in longterm transmission planning. As we have heard in this case, the affected jurisdictions do not include future electric facilities (and their proposed locations) as part of their general plans. Limiting the CEC to a five-year term would likely discourage utilities from planning utility corridors well in the advance of future development and would result in identifying facilities on a "just in time" basis which could result in limited routing options with greater impacts.

Finally, the term "timely" is unclear because neither statutes nor rules impose a specific deadline for submittal of an application requesting a CEC extension.

2. A number of the proposed conditions impose obligations during the operation of the Project. This approach departs from the statutory regime, which applies to the construction of facilities, not ongoing operations. See, e.g., 40-360.03 and 40-360.07.A. A CEC is issued with conditions that assure the Commission and public that the construction of the project is done in a manner that limits impacts to the environment. If the CEC imposes operational requirements in addition to construction requirements, then it could be argued that the Applicant must seek an extension at the end of the term of the CEC to authorize continued operations, even if construction is complete.

The imposition of operating requirements, in conjunction with a short CEC term, could result in an obligation to file extension requests every five years during the Project's lifetime. This would impose significant burdens on the Applicant, the Commission, the Commission Staff, and any other interested party.

3. Draft Condition 2 differs somewhat from the statutory language found in 40-360.06.D.

- 4. Some standard conditions, such as Applicant's Draft Conditions 4, 6 and 11, reflect conditions crafted by current Commissioners.
- 5. Draft Condition 8 is no longer necessary. As a result of this condition in earlier CECs, APS' high voltage transmission structure and line designs have incorporated the necessary measures to minimize impacts to raptors.
- 6. Draft Condition 10 eliminates the "to the extent practicable" for the placement of signs. This is an important limitation given access difficulties and potentially applicable approval processes on state and federal land. Additionally, the original sign condition dealt only with the actual acquisition of the ROW. In Case 120 Commissioner Mundell requested a condition be added to inform potential homeowners of a future transmission line. In this case, even on much of the private property, the land is undeveloped, not accessible and lacks public rights of way.
- 7. Draft Condition 11 could be interpreted to mandate the revegetation of disturbed areas and the use of existing access roads. However, in many portions of the route, there are no existing access roads. Even in corridors with existing roads, those roads may not provide access, depending on the final placement of the line. Additionally, APS must work with existing landowners and it may not make practical or economic sense to revegetate disturbed areas, depending on the landowners' plans for those areas in the future. In addition, the Applicant's proposal to file a construction mitigation and restoration plan with the ACC before construction begins will provide the ACC the opportunity to review and approve that plan.
- 8. Draft Condition 15 revises a carefully crafted agreement between Commission Staff and several utilities. While perhaps intended only to clarify, it does change the meaning and scope of the condition. For example, the concerns that this condition was originally drafted to address are limited to situations where pipelines parallel transmission lines and the lines are within 100 feet of each other. Please note, the Applicant does not believe that the current project will be constructed within 100 feet of an existing gas or petroleum line but is agreeing to include it at the request of Staff.

Thank you again for providing your draft conditions for review and comment.

Bert Acken

----Original Message----

From: John Foreman [mailto:John.Foreman@azag.gov]

Sent: Thursday, September 11, 2008 12:03 PM

To: Lawrence Robertson; Charles Hains; Janet Stone; Robert Pizorno; Frederick Davidson; Laurie Ehlers; Mark Nadeau; Charles & Sharie Civer; Andrew Moore; Scott McCoy; Edward Dietrich; Garry Hays; Jay Moyes; Steve Wene; Griffin, Betty Jean; Campbell, Tom; Gary Birnbaum; Jim Braselton; Steve Burg; Joseph Drazek; Michelle De Blasi; Roger Ferland; Scott Wakefield, Esq.; Court Rich; Michael Bailey; Dustin Jones Cc: Marta Hetzer

Subject: CEC CONDITIONS

I have attached a draft of Conditions for CECs generally that I would propose be applied in Application #138. I am soliciting suggestions about how the language could be adapted for use in #138 and suggestions about how it could be improved in general. Please give me your thoughts.

John Foreman
Assistant Arizona Attorney General
Chair, Arizona Power Plant and Transmission Line Siting Committee
1275 W. Washington
Phoenix, AZ 85007
Tel: 602-542-7902
FAX: 602-542-4377
john.foreman@azag.gov

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Charles Hains

From:

John Foreman [John.Foreman@azag.gov]

Sent:

Friday, October 03, 2008 10:29 AM

To:

Albert Acken

Cc:

TubacLawyer@aol.com; Lawrence.Krueger@aps.com; meghan.grabel@aps.com;

michael.dewitt@aps.com; Charles Hains; William Mundell; Jack Haenichen; Paul Rasmussen;

Mike Biesemeyer; Gregg Houtz; Barry Wong; jguy@buckeyeaz.gov; Mike Whalen; crk@davidsonlaw.net; mark.nadeau@dlapiper.com; shane.gosdis@dlapiper.com;

susan.watson@dlapiper.com; amorre@ecllaw.com; smccoy@ecllaw.com;

cwelker@holmwright.com; hharpest@holmwright.com; Patricia Noland; ghays@lawgdh.com; jimoyes@lawms.com; swene@lawms.com; Tom Campbell; gary.birnbaum@mwmf.com; jim.braselton@mwmf.com; Mike Palmer; steve.burg@peoriaaz.gov; jdrazek@quarles.com;

mdeblasi@quarles.com; rferland@quarles.com; sswakefield@rhhklaw.com;

chrich@roselawgroup.com; rhurley@roselawgroup.com; michael.bailey@surpriseaz.com;

dcj@tblaw.com; jmp@tblaw.com

Subject:

RE: CEC CONDITIONS

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Additionally, the Applicant and other utilities have heard repeatedly from the Commission, local jurisdictions, and other stakeholders that they want utilities to engage in long-term transmission planning. As we have heard in this case, the affected jurisdictions do not include future electric facilities (and their proposed locations) as part of their general plans. Limiting the CEC to a five-year term would likely discourage utilities from planning utility corridors well in the advance of future development and would result in identifying facilities on a "just in time" basis which could result in limited routing options with greater impacts.

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Sent: Thursday, September 11, 2008 12:03 PM

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cwelker@holmwright.com; hharpest@holmwright.com; Patricia Noland; ghays@lawgdh.com; jimoyes@lawms.com; swene@lawms.com; Tom Campbell; gary.birnbaum@mwmf.com; jim.braselton@mwmf.com; Mike Palmer; steve.burg@peoriaaz.gov; jdrazek@quarles.com;

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ATTACHMENT D

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COMMISSIONERS Mike Gleason, Chairman William A. Mundell Jeff Hatch-Miller

Kristin K. Mayes Gary Pierce

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES §§ 40-360, et seq., FOR A CERTIFICATE OF PROJECT, WHICH ORIGINATES AT THE SECTION 2, TOWNSHIP 6 SOUTH, RANGE

ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE SUNDANCE TO PINAL SOUTH 230 kV TRANSMISSION SUNDANCE GENERATING STATION, 7 EAST, AND TERMINATES AT THE FUTURE PINAL SOUTH SUBSTATION. SECTION 30, TOWNSHIP 6 SOUTH, RANGE 8 EAST, IN PINAL COUNTY, ARIZONA.

Arizona Corporation Commission DOCKETED

APR 29 2008

DOCKETED BY

CASE NO. 136

DOCKET NO. L-00000D-07-0682-00136

DECISION NO. _

70325

The Arizona Corporation Commission ("Commission") has conducted its review, pursuant to A.R.S. § 40-360.07. The Commission finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Committee") is hereby granted by this Order.

The Commission further finds and concludes that: (1) the Project is in the public interest because it aids the state in meeting the need for an adequate, economical and reliable supply of electric power; (2) in balancing the need for the Project with its effect on the environment and ecology of the state, the conditions placed on the CEC by the Committee effectively minimize its impact on the environment and ecology of the state; (3) the conditions placed on the CEC by the Committee resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve as the findings on the matters raised; and (4) in light of these conditions, the balancing in the broad public interest results in favor of granting the CEC.

70325

Decision No.

THE CEC ISSUED BY THE SITING COMMITTEE IS INCORPORATED HEREIN AND IS APPROVED BY ORDER OF THE

4	ARIZON	A CORPORATION COMMISSION
5		Wille Marie
6	CHAIRMAN	Wilh I Three
7	CHAIRMAN	COMMISSIONER
\ <u>\</u>		
0	Sparte Hatch Meller	John Good View
	60MMISSIONER	COMMISSIONER COMMISSIONER
10		
11		IN WITNESS WHEREOF, I BRIAN C. MCNEIL, Executive
12		Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this
13		Commission to be affixed at the Capital, in the City of Phoenix
14		this and day of Spril, 2008.
15		
16		1-1/1/-
17		BRIAN C. MCNEIL
18		Executive Director
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21	DISSENT:	
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BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

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IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES §§ 40-360, et seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE SUNDANCE TO PINAL SOUTH 230kV TRANSMISSION PROJECT, WHICH ORIGINATES AT THE SUNDANCE GENERATING STATION, SECTION 2, TOWNSHIP 6 SOUTH, RANGE 7 EAST, AND TERMINATES AT THE FUTURE PINAL SOUTH SUBSTATION, SECTION 30, TOWNSHIP 6 SOUTH, RANGE 8 EAST, IN PINAL COUNTY, ARIZONA.

Docket No.

L-00000D-07-0682-00136

Case No. 136

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee (the "Committee") held public hearings on January 22 and 23, 2008, and February 11, 2008, all in conformance with the requirements of Arizona Revised Statutes ("A.R.S.") §§ 40-360, et seq., for the purpose of receiving evidence and deliberating on the Application of Arizona Public Service Company ("Applicant") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case (the "Project").

The following members and designees of members of the Committee were present at one or more of the hearings for the evidentiary presentations and/or for the deliberations:

1 2	Jennifer Boucek	Chairman, Designee for Arizona Attorney General, Terry Goddard
3	David L. Eberhart, P.E.	Designee for Chairman, Arizona Corporation Commission
4 5	Jack Haenichen	Designee for Director, Energy Department, Arizona Department of Commerce
6 7	Paul Rasmussen	Designee for Director, Arizona Department of Environmental Quality
8	Jeff McGuire	Appointed Member
9	Michael Palmer	Appointed Member
10	Joy Rich	Appointed Member
11	A. Wayne Smith	Appointed Member
12	Barry Wong	Appointed Member
13	The Applicant was represented by Thomas H. Campbell and Albert H. Acken of	
14	Lewis and Roca LLP. The following parties were granted intervention pursuant to A.R.S.	
15	§ 40-360.05: Pinal County represented by Lawrence V. Robertson, Jr. and Chris M. Roll;	
16	Lonesome Valley Farms Limited Partnership, Jacob Roberts and Gail Robertson (the	
17	"Roberts") represented by Court S. Rich; Arizona Corporation Commission ("ACC" or	
18	"Commission") Staff, represented by Charles Hains.	

At the conclusion of the hearings, the Committee, having received the Application, the appearances of the parties, the evidence, testimony and exhibits presented at the hearings, and being advised of the legal requirements of A.R.S. §§ 40-360 to 40-360.13, upon motion duly made and seconded, voted 8 to 0 to grant the Applicant this Certificate of Environmental Compatibility (Case No. 136) for the Project.

The Project as approved consists of approximately seven miles of double-circuit 230kV transmission line and required substation facilities and modifications. A general location map of the Project, described herein, is set forth in **Exhibit A**.

The Project will originate at a new 10-acre substation to be located on property owned by the Applicant adjacent to the Sundance Generating Station, Section 2, Township 6 South, Range 7 East (ACC Decision #63863, Line Siting Case No. 107). A double-circuit 230kV tie-line will be built from the new substation to interconnect with the existing substation located on the north side of the Sundance Generating Station.

From the new substation, the Project will proceed west, within the Northern Corridor Area described below, south of existing and future planned natural gas lines north of Randolph Road, on structures designed to accommodate double-circuit 230kV with 69kV circuits underbuilt. The approved route for the Project then turns south along the Curry Road alignment to the Southern Corridor Area, described below. From this point the Project proceeds east within the Southern Corridor Area to the future Pinal South Substation, located in Section 30, Township 6 South, Range 8 East (approved as part of ACC Decision #68093, Line Siting Case No. 126).

The total right-of-way width is 130 feet within a general corridor that is a minimum of 500 feet wide, except in the areas identified as the Northern Corridor Area and Southern Corridor Area in Exhibit A. The Northern Corridor Area is a 2700-foot corridor north of Randolph Road, on property owned by the Applicant, from 250 feet east of Tweedy Road to the half-section between Curry and Tweedy Roads. The Northern Corridor Area also includes an area that is a 1380-foot corridor north of Randolph Road, from the half-section between Curry and Tweedy Roads to 250 feet west of Curry Road. The Southern Corridor Area is a 3000-foot corridor south from the half-section between State Route 287/Florence Boulevard and the Earley Road alignment, beginning 250 feet west of Curry Road to 1000 feet east of Eleven Mile Corner Road. Conceptual models of tower types are depicted in

Figures G-1 through G-6 of Hearing Exhibit APS-2 (Supplemental Packet #1, Tab 4), attached hereto as Exhibit B.

This Certificate is granted upon the following conditions:

- 1. The Applicant shall obtain all required approvals and permits necessary to construct the Project.
- 2. The Applicant shall comply with all existing applicable ordinances, master plans and regulations of the State of Arizona, the County of Pinal, the United States, and any other governmental entities having jurisdiction.
- 3. This authorization to commence construction of the Project shall expire seventeen years from the date the Certificate is approved by the Commission; provided, however, that prior to such expiration the Applicant or its assignees may request that the Commission extend this time limitation.
- 4. The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the transmission lines and related facilities addressed in this Certificate. The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained.
- 5. The Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law and shall, to the extent feasible, minimize the destruction of native plants during Project construction.

- 6. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or historical site or object that is at least fifty years old is discovered on state, county or municipal land during plan-related activities, the person in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the development of the subject property, Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum pursuant to A.R.S. § 41-865.
- 7. The Applicant shall design the transmission lines so as to mitigate impacts to raptors.
- 8. The Applicant shall use non-specular conductor and dulled surfaces for transmission line structures.
- 9. Within 120 days of the Commission decision granting this Certificate,
 Applicant will post signs in public rights-of-way giving notice of the Project
 corridor to the extent authorized by law. The Applicant shall place signs in
 prominent locations at reasonable intervals such that the public is notified
 along the full length of the transmission line until the transmission structures
 are constructed. To the extent practicable, within 45 days of securing
 easement or right-of-way for the Project, the Applicant shall erect and
 maintain signs providing public notice that the property is the site of a future
 transmission line. Such signage shall be no smaller than a normal roadway
 sign. The signs shall advise:

- (a) That the site has been approved for the construction of Project facilities;
- (b) The expected date of completion of the Project facilities;
- (c) A phone number for public information regarding the Project;
- (d) The name of the Project;
- (e) The name of the Applicant; and
- (f) The Applicant's website.

Sign placement will be reported annually in accordance with Condition 16.

- 10. Before construction on this Project may commence, the Applicant must file a construction mitigation and restoration plan ("Plan") with ACC Docket Control. Where practicable, the Plan shall specify that the Applicant use existing roads for construction and access, minimize impacts to wildlife, minimize vegetation disturbance outside of the Project right-of-way, and revegetate native areas following construction disturbance.
- 11. With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner.
- 12. The Applicant shall provide copies of this Certificate to Pinal County

 Planning and Development, the Arizona State Land Department, the State

 Historic Preservation Office, and the Arizona Game and Fish Department.
- 13. Prior to the date this transmission line is put into commercial service, the Applicant shall provide known homebuilders and developers within one mile of the center line of the Certificate route the identity, location, and a pictorial depiction of the type of power line being constructed, accompanied by a written description, and encourage the developers and homebuilders to

- include this information in the developers' and homebuilders' homeowners' disclosure statements.
- 14. The Applicant will not construct the Project on any portion of the existing Pinal County Fairgrounds, a 120+/- acre parcel, owned by Pinal County, described as N1/2 SE 1/4 and the SE1/4 NE1/4 Section 25, T6S, R7E, G&SRB&M, Pinal County, Arizona, without the prior written consent of Pinal County.
- 15. Before commencing construction of Project facilities located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:
 - (a) Perform the appropriate grounding and cathodic protection studies to show that the Project's location parallel to and within 100 feet of such pipeline results in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are mitigated. Applicant shall provide to Commission Staff reports of studies performed; and
 - (b) Perform a technical study simulating an outage of the Project that may be caused by the collocation of the Project parallel to and within 100 feet of the existing natural gas or hazardous liquid pipeline. This study should either: i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages. Applicant shall provide a copy of this study to Commission Staff.

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16	. The Applicant shall submit a self-certification letter annually, identifying
	progress made with respect to each condition contained in the Certificate,
	including which conditions have been met. Each letter shall be submitted to
	the Utilities Division Director on December 1 beginning in 2008. Attached
	to each certification letter shall be documentation explaining how
	compliance with each condition was achieved. Copies of each letter along
	with the corresponding documentation shall be submitted to the Arizona
	Attorney General and Department of Commerce Energy Office. The
	requirement for the self-certification shall expire on the date the Project is
	placed into operation.

17. Applicant will follow the latest Western Electricity Coordinating Council/ North American Electric Reliability Corporation Planning standards as approved by the Federal Energy Regulatory Commission, and National Electrical Safety Code construction standards.

DATED this 15 day of February, 2008.

THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

ATTACHMENT E

	GINAL BEFORE THE ARIZONA POWER PLANT AND
2	TRANSMISSION LINE SITING COMMITTEE
3	
4	IN THE MATTER OF THE
5 6 7 8 9 10 11 12	APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES §§ 40-360, et seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE TS-5 TO TS-9 500/230kV TRANSMISSION LINE PROJECT, WHICH ORIGINATES AT THE FUTURE TS-5 SUBSTATION, LOCATED IN THE WEST HALF OF SECTION 29, TOWNSHIP 4 NORTH, RANGE 4 WEST AND TERMINATES AT THE FUTURE TS-9 SUBSTATION, LOCATED IN SECTION 33, TOWNSHIP 6 NORTH, RANGE 1 EAST, IN MARICOPA COUNTY, ARIZONA Docket No. L-000000D-08-0330-00138 Case No. 138 NOTICE OF FILING PROPOSED CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND WITNESS SUMMARIES
14	<u> </u>
15	Pursuant to Chairman Foreman's July 2, 2008 Procedural Order, Arizona Public
16	Service Company ("APS") files the attached witness summaries for Mike DeWitt, Jennifer
17	Frownfelter and John Lucas. APS is also filing with this Notice a proposed form of
18	Certificate of Environmental Compability.
19	RESPECTFULLY submitted this 8 th day of August, 2008.
20	LEWIS AND ROCA LLP
21	Arizona Corporation Commission
22	DOCKETED Jon Caplello
23	AUG - 8 2008 Thomas H. Campbell
24	Albert Acken 40 N. Central Avenue
25	Phoenix, Arizona 85007
26	Attorneys for Arizona Public Service Company

BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES §§ 40-360, et seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY **AUTHORIZING THE TS-5 TO TS-9** 500/230kV TRANSMISSION LINE PROJECT, WHICH ORIGINATES AT THE FUTURE TS-5 SUBSTATION, LOCATED IN THE WEST HALF OF SECTION 29, TOWNSHIP 4 NORTH. RANGE 4 WEST AND TERMINATES AT THE FUTURE TS-9 SUBSTATION, LOCATED IN SECTION 33, TOWNSHIP 6 NORTH, RANGE 1 EAST, IN MARICOPA COUNTY, ARIZONA

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Docket No. L-00000D-08-0330-00138 Case No. 138

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee (the "Committee") held public hearings on August 18 and 19, 2008, and September 8 and 9, 2008, all in conformance with the requirements of Arizona Revised Statutes ("A.R.S.") §§ 40-360, et seq., for the purpose of receiving evidence and deliberating on the Application of Arizona Public Service Company ("Applicant") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case (the "Project").

The following members and designees of members of the Committee were present at one or more of the hearings for the evidentiary presentations and/or for the deliberations:

	· II	
1	John Foreman	Chairman, Designee for Arizona Attorney General, Terry Goddard
2		
3	Paul Rasmussen	Designee for Director, Arizona Department of
4		Environmental Quality
. 5	Gregg Houtz	Designee for Director, Arizona Department of Water Resources
6	Jack Haenichen	Designee for Director, Energy Office, Arizona
7		Department of Commerce
8	David Eberhart	Designee for Chairman, Arizona Corporation
9		Commission
10	Michael Biesemeyer	Appointed Member
_11	Jeff McGuire	Appointed Member
12	Michael Palmer	Appointed Member
13	Joy Rich	Appointed Member
14	Michael Whalen	Appointed Member
15	Barry Wong	Appointed Member
16	Applicant was represented by Thomas H. Campbell and Albert H. Acken of Lewis	

Applicant was represented by Thomas H. Campbell and Albert H. Acken of Lewis and Roca LLP and Meghan H. Grabel of Applicant's Legal Department. The following parties were granted intervention pursuant to A.R.S. § 40-360.05:

COUNSEL:	INTERVENING PARTY:
Charles H. Hains	Arizona Corporation Commission Staff ("Staff")
Mark A. Nadeau	10,000 West, L.L.C.
Shane D. Gosdis	
Stephen M. Kemp	City of Peoria
Stephen J. Burg	
Michelle De Blasi	Vistancia, LLC
Roger K. Ferland	
Michael D. Bailey	City of Surprise
Jay Moyes	Vistancia Associations
Steve Wene	

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Counsel:	INTERVENING PARTY:
Scott S. Wakefield	DLGC II, LLC and
	Lake Pleasant Group, LLP
Court S. Rich	Warrick 160, LLC and
	Lake Pleasant 5000, LLC
Lawrence V. Robertson, Jr.	Diamond Ventures, Inc.
Scott McCoy	Elliott Homes, Inc.
Andrew Moore	Woodside Homes of Arizona, Inc.
Garry D. Hays	Arizona State Land Department
James T. Braselton	Surprise Grand Vista JV I, LLC
Christopher S. Welker	LP 107, LLC

At the conclusion of the hearings, the Committee, having received the Application, the appearances of the parties, the evidence, testimony and exhibits presented at the hearings, and being advised of the legal requirements of A.R.S. §§ 40-360 to 40-360.13, upon motion duly made and seconded, voted __ to __ to grant Applicant this Certificate of Environmental Compatibility (Case No. 138) for the Project.

The Project as approved consists of approximately 40 miles of 500/230kV transmission line and ancillary facilities along the route described below. A general location map of the Project, described herein, is set forth in Exhibit A.

The Project will begin at the TS-5 (Sun Valley) Substation (approved as part of the West Valley North Project, ACC Decision No. 67828, Case No. 127), located in the west half of Section 29, Township 4 North, Range 4 West. The Project will end at the TS-9 Substation (approved as part of the TS-9 to Pinnacle Peak Project, ACC Decision No. 69343, Case No. 131), located in Section 33, Township 6 North, Range 1 East. From the TS-5 Substation, the Project's route will be as follows:

• A 3,000-foot-wide corridor that extends north for 0.5 miles, from TS-5 to the north side of the existing Central Arizona Project ("CAP") canal. The corridor width

- includes 2,500 feet west and 500 feet east of the half-section line in Section 29, Township 4 North, Range 4 West.
- A 3,000-foot-wide corridor that extends northeast for 0.8 miles, paralleling the
 existing CAP canal. The corridor width includes 3,000 feet northwest of the chain
 link fence on the northwest side of the CAP, paralleling the certificated West
 Valley North 230kV line (Line Siting Case No. 127).
- A 3,000-foot-wide corridor that extends east for 1.8 miles, paralleling the existing CAP canal, to the junction with the existing 500kV Mead-Phoenix transmission line. The corridor width includes 3,000 feet north of the chain link fence on the north side of the CAP, paralleling the certificated West Valley North 230kV line (Line Siting Case No. 127).
- A 3,000-foot-wide corridor that extends north-northwest for 2.0 miles, paralleling
 the existing Mead-Phoenix transmission line, from the junction of the CAP and the
 Mead-Phoenix transmission line, to approximately the 275th Avenue alignment (a
 section line). The corridor width includes 1,500 feet west and 1,500 feet east of the
 Mead-Phoenix transmission line.
- A 3,000-foot-wide corridor that extends north for 6.1 miles, from the junction of the existing Mead-Phoenix transmission line and the 275th Avenue alignment (a section line) to the Carefree Highway alignment (a section line). The corridor width includes 1,500 feet west and 1,500 feet east of the 275th Avenue alignment.
- A 2,000-foot-wide corridor that extends east for 5.0 miles along the Carefree Highway alignment from the 275th Avenue alignment until reaching the 235th Avenue alignment (a section line). The corridor width includes 1,500 feet north and 500 feet south of the Carefree Highway alignment.
- A 3,000-foot-wide corridor that extends north for 1.0 mile, from the junction of the 235th Avenue alignment and the Carefree Highway alignment to U.S. 60 (Grand

Avenue). The corridor width includes 1,500 feet west and 1,500 feet east of the 235th Avenue alignment.

- A 2,000-foot-wide corridor that extends north for 1.5 miles, from U.S. 60 (Grand Avenue) to the junction of 235th Avenue and the half-section line north of the Joy Ranch Road alignment. The corridor width includes 500 feet west and 1,500 feet east of 235th Avenue.
- A 3,000-foot-wide corridor that extends east along the half-section line north of the Joy Ranch Road alignment for 7.0 miles, from 235th Avenue to approximately the 179th Avenue alignment (a section line), just south of State Route 74 ("SR 74").
 The corridor width includes 3,000 feet south of the half-section line.
- A 3,000-foot-wide corridor that extends south along the 179th Avenue alignment for 2.4 miles from the half-section line north of the Joy Ranch Road alignment (just south of SR 74) to the Carefree Highway alignment (a section line). The corridor width includes 3,000 feet west of 179th Avenue.
- A 4,000-foot-wide corridor that extends east along the Carefree Highway alignment for 10.0 miles from 179th Avenue to approximately 99th Avenue (at the junction with the existing transmission line corridor). The corridor width includes 2,000 feet north and 2,000 feet south of the Carefree Highway alignment.
- A 5,000-foot-wide corridor that extends northwest for 1.2 miles along the existing transmission line corridor to the termination point at the TS-9 Substation. The corridor width includes 5,000 feet west of the westernmost existing transmission line in the existing corridor.

CONDITIONS

This Certificate is granted upon the following conditions:

1. The Applicant shall obtain all required approvals and permits necessary to construct the Project.

- The Applicant shall comply with all existing applicable ordinances, master plans and regulations of the State of Arizona, the County of Maricopa, the United States, and any other governmental entities having jurisdiction.
- 3. This authorization to commence construction of the Project shall expire ten years from the date the Certificate is approved by the Commission; provided, however, that prior to such expiration the Applicant or its assignees may request that the Commission extend this time limitation. This time limitation does not apply to construction and installation of the conductors, tower arms, turning structures, and other ancillary equipment needed to operate the 230kV circuit.
- 4. The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the transmission lines and related facilities addressed in this Certificate. The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained.
- 5. The Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law and shall, to the extent feasible, minimize the destruction of native plants during Project construction.
- 6. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or historical site or object that is at least fifty years old is discovered on state, county or municipal land during plan-related activities, the person in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to

secure and maintain the preservation of the discovery. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the development of the subject property, Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum pursuant to A.R.S. § 41-865.

- 7. Within 120 days of the Commission decision granting this Certificate, Applicant will post signs in public rights-of-way giving notice of the Project corridor to the extent authorized by law. The Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line until the transmission structures are constructed.
 To the extent practicable, within 45 days of securing easement or right-of-way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Such signage shall be no smaller than a normal roadway sign. The signs shall advise:
 - (a) That the site has been approved for the construction of Project facilities;
 - (b) The expected date of completion of the Project facilities;
 - (c) A phone number for public information regarding the Project;
 - (d) The name of the Project;
 - (e) The name of the Applicant; and
 - (f) The Applicant's website.
- 8. Before construction on this Project may commence, the Applicant must file a construction mitigation and restoration plan ("Plan") with ACC Docket Control. Where practicable, the Plan should specify the Applicant's plans for construction access and methods to minimize impacts to wildlife and minimize vegetation disturbance outside of the Project right-of-way.

- 9. With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner.
- 10. The Applicant shall provide copies of this Certificate to the Town of Buckeye, the City of Peoria, the City of Surprise, the Maricopa County Planning and Development Department, the Arizona State Land Department, the State Historic Preservation Office, and the Arizona Game and Fish Department.
- 11. Prior to the date this Project is put into commercial service, the Applicant shall provide known homebuilders and developers within one mile of the center line of the Certificated route the identity, location, and a pictorial depiction of the type of power line being constructed, accompanied by a written description, and encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statements.
- 12. Before commencing construction of Project facilities located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:
 - (a) Perform the appropriate grounding and cathodic protection studies to show that the Project's location parallel to and within 100 feet of such pipeline results in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are mitigated. Applicant shall provide to Commission Staff reports of studies performed; and
 - (b) Perform a technical study simulating an outage of the Project that may be caused by the collocation of the Project parallel to and within 100 feet of

the existing natural gas or hazardous liquid pipeline. This study should either: i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages. Applicant shall provide a copy of this study to Commission Staff.

- 13. Applicant will follow the latest Western Electricity Coordinating Council/North American Electric Reliability Corporation Planning standards as approved by the Federal Energy Regulatory Commission, and National Electrical Safety Code construction standards.
- 14. The Applicant shall submit a self-certification letter annually, identifying progress made with respect to each condition contained in the Certificate, including which conditions have been met. Each letter shall be submitted to the Utilities Division Director on December 1 beginning in 2009. Attached to each certification letter shall be documentation explaining how compliance with each condition was achieved. Copies of each letter along with the corresponding documentation shall be submitted to the Arizona Attorney General and Department of Commerce Energy Office. The requirement for the self-certification shall expire on the date the Project is placed into operation.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This Certificate incorporates the following findings of fact and conclusions of law:

- 1. The Project is in the public interest because it aids the state in meeting the need for an adequate, economical and reliable supply of electric power.
- 2. In balancing the need for the Project with its effect on the environment and ecology of the state, the conditions placed on the CEC by the Committee effectively minimize its impact on the environment and ecology of the state.
- 3. The conditions placed on the CEC by the Committee resolve matters concerning the need for the Project and its impact on the environment and ecology of the

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state raised during the course of proceedings, and as such, serve as the findings on the matters raised.

4. In light of these conditions, the balancing in the broad public interest results in favor of granting the CEC.

THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

Hon. John Foreman, Chairman

ATTACHMENT F

ORIGINAL 1 BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE 3 5 IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC 6 SERVICE COMPANY, IN CONFORMANCE WITH THE Docket No. L-00000D-08-0330-00138 REQUIREMENTS OF ARIZONA REVISED STATUTES §§ 40-360, et seq., Case No. 138 FOR A CERTIFICATE OF 8 ENVIRONMENTAL COMPATIBILITY **AUTHORIZING THE TS-5 TO TS-9** 500/230kV TRANSMISSION LINE 10 PROJECT, WHICH ORIGINATES AT ARIZONA PUBLIC SERVICE THE FUTURE TS-5 SUBSTATION. COMPANY'S NOTICE OF FILING LOCATED IN THE WEST HALF OF FORM OF CERTIFICATE OF SECTION 29, TOWNSHIP 4 NORTH, ENVIRONMENTAL 12 RANGE 4 WEST AND TERMINATES AT COMPATIBILITY THE FUTURE TS-9 SUBSTATION, LOCATED IN SECTION 33, TOWNSHIP 6 NORTH, RANGE 1 EAST, IN MARICOPA COUNTY, ARIZONA 14 15 16 Arizona Public Service Company ("APS") has attached as Exhibit A a proposed 17 form of Certificate of Environmental Compatibility. The proposed form incorporates 18 proposed language from APS and the interveners. Contested language is in italics. In 19 most cases, the proposed form indicates who proposed the italicized language. In the case 20 of corridor widths, the proposed form distinguishes among the original corridor widths 21 requested by APS, the corridor width identified in APS' rebuttal testimony and corridor 22 widths proposed by interveners. 23 24 Anzen Commission 25 26

BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

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IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC

> SERVICE COMPANY, IN CONFORMANCE WITH THE

FOR A CERTIFICATE OF

REQUIREMENTS OF ARIZONA

REVISED STATUTES §§ 40-360, et seq.,

ENVIRONMENTAL COMPATIBILITY

AUTHORIZING THE TS-5 TO TS-9 500/230kV TRANSMISSION LINE PROJECT, WHICH ORIGINATES AT THE FUTURE TS-5 SUBSTATION,

LOCATED IN THE WEST HALF OF SECTION 29, TOWNSHIP 4 NORTH, RANGE 4 WEST AND TERMINATES AT

THE FUTURE TS-9 SUBSTATION. LOCATED IN SECTION 33, TOWNSHIP

MARICOPA COUNTY, ARÍZONA

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Docket No. L-00000D-08-0330-00138 Case No. 138

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee (the "Committee") held public hearings on August 18 and 19, 2008, September 8 and 9, 2008, October 20 through 22, 2008, October 27 through 30, 2008, November 17 through 19, 2008, and December 1 and 2, 2008, all in conformance with the requirements of Arizona Revised Statutes ("A.R.S.") §§ 40-360, et seq., for the purpose of receiving evidence and deliberating on the Application of Arizona Public Service Company ("Applicant") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case (the "Project").

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The following members and designees of members of the Committee were present ne or more of the hearings for the evidentiary presentations and the deliberations:

3	John Foreman	Chairman, Designee for Arizona Attorney General, Terry Goddard
5	Paul Rasmussen	Designee for Director, Arizona Department of Environmental Quality
7	Gregg Houtz	Designee for Director, Arizona Department of Water Resources
9	Jack Haenichen	Designee for Director, Energy Office, Arizona Department of Commerce
0	William Mundell	Designee for Chairman, Arizona Corporation Commission
2	Patricia Noland	Appointed Member
3	Michael Palmer	Appointed Member
4	Michael Whalen	Appointed Member
5	Barry Wong	Appointed Member

Applicant was represented by Thomas H. Campbell and Albert H. Acken of Lewis Roca LLP and Meghan H. Grabel of the Applicant's Legal Department. The following parties were granted intervention pursuant to A.R.S. § 40-360.05:

COUNSEL:	INTERVENING PARTY:
Charles H. Hains	Arizona Corporation Commission Staff ("Staff")
Ayesha Vohra	
Garry D. Hays	Arizona State Land Department
Mark A. Nadeau	10,000 West, L.L.C.
Shane D. Gosdis	
Michael D. Bailey	City of Surprise
Scott McCoy	Elliott Homes, Inc.

¹ Members David Eberhart and Jeff McGuire recused themselves and did not participate in deliberations.

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1	Counsel:	INTERVENING PARTY:
2	Jon Paladini	Anderson Land & Development
- 4	Andrew Moore	Woodside Homes of Arizona, Inc.
3	Gary Birnbaum	Surprise Grand Vista JV I, LLC
4	James T. Braselton	Sunhaven Entities
4	Court S. Rich	Warrick 160, LLC and
5		Lake Pleasant 5000, LLC
	Stephen J. Burg	City of Peoria
6	Joseph Drazek	Vistancia, LLC
7	Steve Wene	Vistancia Associations
	Lawrence V. Robertson, Jr.	Diamond Ventures, Inc.
8	Chad Kaffer	Quintero Community Associations and Quintero Golf
9		and Country Club
	Scott S. Wakefield	DLGC II, LLC and
10		Lake Pleasant Group, LLP
11	Christopher S. Welker	LP 107, LLC
- * *	†	

At the conclusion of the hearings, the Committee, having received the Application, the appearances of the parties, the evidence, testimony and exhibits presented at the hearings, and being advised of the legal requirements of A.R.S. §§ 40-360 to 40-360.13, upon motion duly made and seconded, voted __ to __ to grant Applicant this Certificate of Environmental Compatibility (Case No. 138) for the Project.

The Project as approved consists of approximately 40 miles of 500/230kV transmission line and ancillary facilities along the route described below. A general location map of the Project, described herein, is set forth in Exhibit A.

The Project will begin at the TS-5 (Sun Valley) Substation (approved as part of the West Valley North Project, ACC Decision No. 67828, Case No. 127), located in the west half of Section 29, Township 4 North, Range 4 West. The Project will end at the TS-9 Substation (approved as part of the TS-9 to Pinnacle Peak Project, ACC Decision No. 69343, Case No. 131), located in Section 33, Township 6 North, Range 1 East. From the TS-5 Substation, the Project's route will be as follows:

If the Preferred Route from MP 0 to MP 9.2 is chosen:

- A 3,000 [original] // 2,500 [rebuttal] // 1,000 [10,000 West] foot-wide corridor that extends north for 0.5 miles, from TS-5 to the north side of the existing Central Arizona Project ("CAP") canal. The corridor width includes 2,500 [original] // 2,000 [rebuttal] feet west and 500 feet east of the half-section line in Section 29, Township 4 North, Range 4 West.
- A 3,000 [original] // 2,500 [rebuttal] // 1,000 [10,000 West] foot-wide corridor that extends northeast for 0.8 miles, paralleling the existing CAP canal. The corridor width includes 3,000 [original] // 2,500 [rebuttal] // 1,000 [10,000 West] feet northwest of the chain link fence on the northwest side of the CAP, paralleling the certificated West Valley North 230kV line (Line Siting Case No. 127).
- A 3,000 [original] // 2,500 [rebuttal] // 1,000 [10,000 West] foot-wide corridor that extends east for 1.8 miles, paralleling the existing CAP canal, to the junction with the existing 500kV Mead-Phoenix transmission line. The corridor width includes 3,000 [original] // 2,500 [rebuttal] // 1,000 [10,000 West] feet north of the chain link fence on the north side of the CAP, paralleling the certificated West Valley North 230kV line (Line Siting Case No. 127).
- A 3,000 [original] // 2,000 [rebuttal] // 1,500 [10,000 West] foot-wide corridor that extends north-northwest for approximately 2.0 miles, paralleling the existing Mead-Phoenix transmission line, from the junction of the CAP and the Mead-Phoenix transmission line, to approximately the 275th Avenue alignment (a section line).

 The corridor width includes 1,500 [original] // 1,000 [rebuttal] // 750 [10,000 West] feet west and 1,500 [original] // 1,000 [rebuttal] // 750 [10,000 West] feet east of the Mead-Phoenix transmission line.
- A 3,000 [original] // 2,000 [rebuttal] // 1,000 [10,000 West] foot-wide corridor that extends north for 4.1 miles, from the junction of the existing Mead-Phoenix

transmission line and the 275th Avenue alignment (a section line) to the Carefree Highway alignment (a section line). The corridor width includes 1,500 [original] // 500 [rebuttal] // 0 [10,000 West] feet west and 1,500 [original] // 1,000 [rebuttal and 10,000 West] feet east of the 275th Avenue alignment.

If the Preferred Route from MP 9.2 to 16.2 is chosen:

- A 3,000 [original] // 2,000 [rebuttal] // 1,000 [10,000 West] foot-wide corridor that extends north for 2.0 miles, from the junction of the existing Mead-Phoenix transmission line and the 275th Avenue alignment (a section line) to the Carefree Highway alignment (a section line). The corridor width includes 1,500 [original] // 500 [rebuttal] // 0 [10,000 West] feet west and 1,500 [original] // 1,000 [rebuttal] and 10,000 West] feet east of the 275th Avenue alignment.
- A 2,000 foot-wide corridor that extends east for 5.0 miles along the Carefree Highway alignment from the 275th Avenue alignment until reaching the 235th Avenue alignment (a section line). The corridor width includes 1,500 feet north and 500 feet south of the Carefree Highway alignment. [original]

If the Preferred Route from MP 16.2 to MP 25.7 is chosen:

- A 3,000 [original] // 2,500 [rebuttal] foot-wide corridor that extends north for approximately 1.0 mile, from the junction of the 235th Avenue alignment and the Carefree Highway alignment to U.S. 60 (Grand Avenue). The corridor width includes 1,500 feet west and 1,500 [original] // 1,000 [rebuttal] feet east of the 235th Avenue alignment.
- A 2,000 [original] // 1,500 [rebuttal] foot-wide corridor that extends north for 1.5 miles, from U.S. 60 (Grand Avenue) to the junction of 235th Avenue and the half-

- section line north of the Joy Ranch Road alignment. The corridor width includes 500 feet west and [original] 1,500 feet east of 235th Avenue.
- A 3,000 [original] // 860 [rebuttal] foot-wide corridor that extends east along the [half-section line north of the] [original] Joy Ranch Road alignment [rebuttal] for 7.0 miles, from 235th Avenue to approximately the 179th Avenue alignment (a section line), just south of State Route 74 ("SR 74"). The corridor width includes 3,000 feet south of the half-section line. [original] // 500 feet north and 360 feet south of the Joy Ranch Road alignment (a section line.) [rebuttal]
- A 500-foot wide corridor that extends east along the north right-of-way line of the Joy Ranch Road alignment for 7.0 miles from 235th Avenue (on the west) to approximately the 179th Avenue alignment (on the east); and north from said north right-of-way line for a distance of 500 feet. The proposed corridor does not encroach upon the Surprise Grand Vista master-planned community. [Surprise Grand Vista]
- A 3,000 foot-wide corridor that extends east along the half section alignment north of the Joy Ranch Road alignment for 0.7 mile to approximately the 179th Avenue alignment (a section line), just south of SR 74. The corridor width includes 3,000 feet south of the half section alignment. [original]

If the Preferred Route from MP 25.7 to MP 28.1 is chosen:

- A 3,000 foot-wide corridor that extends south along the 179th Avenue alignment for 2.4 miles from the half-section line north of the Joy Ranch Road alignment (just south of SR 74) to the Carefree Highway alignment (a section line). The corridor width includes 3,000 feet west of 179th Avenue. [original]
- A 2,400-foot (approximate) wide corridor that extends south along the eastern right-of-way line of the 183rd Avenue alignment for approximately 1.9 miles from

the north right-of-way line of the Joy Ranch Road alignment (on the north) to the center line of the Carefree Highway alignment (on the south); and east from said 183^{rd} Avenue eastern right-of-way line for a distance of 2,400 feet (approximate). The corridor does not encroach upon the Surprise Grand Vista master-planned community. [Surprise Grand Vista]

If the Preferred Route from MP 28.1 to TS-9 is chosen:

- A 4,000 [original] // 2,000 [rebuttal] foot-wide corridor that extends east along the Carefree Highway alignment for 2.0 miles from 179th Avenue the 163rd Avenue alignment. The corridor width includes 2,000 [original] // 1,000 [rebuttal] feet north and 2,000 [original] // 1,000 [rebuttal] feet south of the Carefree Highway alignment.
- A 4,000 foot-wide corridor that extends east along the Carefree Highway alignment for 8.0 miles from 179th Avenue to approximately 99th Avenue (at the junction with the existing transmission line corridor). The corridor width includes 2,000 feet north and 2,000 feet south of the Carefree Highway alignment. [original]
- A 5,000 foot-wide corridor that extends northwest for 1.2 miles along the existing transmission line corridor to the termination point at the TS-9 Substation. The corridor width includes 5,000 feet west of the westernmost existing transmission line in the existing corridor. [original]

If Alternative Route 1, but not Alternative 2, is chosen:

• A 3,500 [original] // 3,000 [rebuttal] foot-wide corridor that extends east along the Lone Mountain Road alignment for 5.0 miles from the 275th Avenue alignment to the 235th Avenue alignment. The corridor width includes 3,000 feet north [original and rebuttal] and 500 feet south [original] of the Lone Mountain Road alignment.

- A 3,000 [original] // 1,500 [rebuttal] foot-wide corridor that extends north along 235th Avenue alignment for 0.5 miles to the junction with U.S. 60 (Grand Avenue). The corridor width includes 1,500 feet west [original and rebuttal] and 1,500 feet east [original] of the 235th Avenue alignment.
- A 3,000 [original] // 2,500 [rebuttal] foot-wide corridor that extends north along 235th Avenue alignment for 1.5 miles to the junction with U.S. 60 (Grand Avenue). The corridor width includes 1,500 feet west [original and rebuttal] // and 1,500 [original] // 1,000 [rebuttal] feet east of the 235th Avenue alignment.

If Alternative Route 1 and Alternative Route 2 are chosen:

- A 3,500 [original] // 3,000 [rebuttal] foot-wide corridor that extends east along the Lone Mountain Road alignment for 5.0 miles from the 275th Avenue alignment to the 235th Avenue alignment. The corridor width includes 3,000 feet north [original and rebuttal] and 500 feet south [original] of the Lone Mountain Road alignment.
- A 1,000 foot-wide corridor that extends east along the Lone Mountain Road alignment for 3.0 miles from the 235th avenue alignment to U.S. 60. The corridor width includes 500 feet north and 500 feet south of the Lone Mountain Road alignment. [original]
- A 2,000 [original] // 1,000 [rebuttal] foot-wide corridor that extends east along the Lone Mountain Road alignment for 3.0 miles from U.S. 60 to the 187th Avenue alignment. The corridor width includes 1,500 [original] // 1,000 [rebuttal] feet north and 500 feet south [original] of the Lone Mountain Road alignment.
- A 4,500 [original] // 3,000 [rebuttal] foot-wide corridor that extends north along the 187th Avenue alignment to the Carefree Highway alignment. The corridor width includes 1,500 feet west and [original] 3,000 feet east [original and rebuttal] of the 187th Avenue alignment.

• A 4,000 [original] // 2,000 [rebuttal] foot-wide corridor that extends east along the Carefree Highway alignment for 1.0 mile from the 187th Avenue alignment to the 179th Avenue alignment. The corridor width includes 2,000 [original] // 1,000 [rebuttal] feet north and 2,000 [original] // 1,000 [rebuttal] feet south of the Carefree Highway alignment.

If Alternative Route 3 is chosen:

- A 3,500 foot-wide corridor that extends east along SR 74 for 10.4 miles from the 179th Avenue alignment to the 99th Avenue alignment. The corridor width includes 2,000 feet north and 1,500 feet south of the existing SR 74 centerline. [original]
- A 2,000 foot-wide corridor that extends southeast for 1.2 miles along the existing WAPA 230kV transmission line corridor to the termination point at the TS-9 Substation. The corridor width includes 2,000 feet west of the WAPA 230kV transmission line. [original]

If Alternative Route 3, as described during rebuttal, is chosen [with an additional 500 feet to the south at the eastern end and a 500 foot SR 74 buffer]:

- A 3,500 foot-wide corridor that extends east along SR 74 for 9.3 miles from the 179th Avenue alignment to the western boundary of Section 29, Township 6 North Range 1 East. The corridor width includes 2,000 feet north and 1,500 feet south of the existing SR 74 centerline. [original]
- A 1,500 [rebuttal] // 2,000 [DLGC] foot-wide corridor that extends east along SR 74 for 1.1 miles from the western boundary of Section 29, Township 6 North Range 1 East to the 99th Avenue alignment. The corridor width includes 1,500 [rebuttal] // 2,000 [DLGC] feet south of the existing SR 74 centerline or a 1,500 foot corridor

with the northern boundary of the corridor located 500 feet south of SR 74 [DLGC].

• A 2,000 foot-wide corridor that extends southeast for 1.2 miles along the existing WAPA 230kV transmission line corridor to the termination point at the TS-9 Substation. The corridor width includes 2,000 feet west of the WAPA 230kV transmission line. [original]

If Alternative Route 3 North is chosen [with an additional 500 feet to the south at the eastern end]:

- A 1,500 foot-wide corridor for that portion of the corridor which is on the north side of SR 74, with the southern boundary of that portion of the corridor beginning 500 feet north of the centerline for SR 74; a 1,000 foot-wide corridor for that portion of the corridor which crosses SR 74 from north to south and connects that portion of the corridor north of SR 74 with that portion of the corridor south of SR 74; and a 1,000 foot-wide corridor for that portion of the corridor which is on the south side of SR 74, with the northern boundary of that portion of the corridor beginning 500 feet south of the centerline of SR 74. [Diamond Ventures] // and west of the eastern boundary of Township 6 North Range 1 West, with the northern boundary of that portion of the corridor beginning 500 feet south of the centerline of SR 74; a 1,500 foot-wide corridor for that portion of the corridor which is on the south side of SR 74 and east of the eastern boundary of Township 6 North Range 1 West. [DLGC]
- The corridor is 11.7 miles in length, and at its western end diverges from the Preferred Route at the 179th Avenue alignment, just south of SR 74 in Section 27, Township 6 North, Range 2 West.

- o The corridor then turns north crossing SR 74 and continues east and along the north side of SR 74 to Section 26, Township 6 North, Range 1 East, a distance of 7.0 miles.
- The corridor then turns south crossing SR 74 and continues east along the south side of SR 74 to approximately the 99th Avenue alignment in Section 33, Township 6 North, Range 1 East, a distance of approximately 3.4 miles.
- The corridor then turns south-southeast and continues parallel to the existing (WAPA) 230 kV transmission line to the TS-9 Substation in Section 33, Township 6 North, Range I East, a distance of approximately 1.3 miles. [original]

If an Alternative West of the Hassayampa River is chosen: [10,000 West]

The Project will exit the TS-5 Substation and proceed 1,400 'northwest to intersect with the existing 230 kV alignment which is within the approved Palo Verde to TS-5 corridor, thereafter the route will turn generally southeast along the PV- to TS-5 corridor approximately 1.6 miles to the point at which the corridor turns west to make a crossing of the Hassayampa River and thereafter proceeds west along the corridor approximately 1 mile to a point of intersection with 307th Avenue. The corridor width includes 3,000'. The Western Alternative then turns north parallel with the alignment for 307th Avenue for approximately 10.5 miles to the intersection with West Black Mountain Road aka Cloud Road to the east. The corridor width includes 1,000 feet west and 1,000 feet east of the 307th Avenue alignment. Turning east the Western Alternative follows the alignment of West Black Mountain Road aka Cloud Road ending at the intersection of 275th Avenue and Cloud Road which is a distance of approximately 4.25 miles. The corridor width includes 1,000 feet north of alignment of West Black Mountain Road aka Cloud Road. Included in this segment is a 0.5 mile crossing of the Hassayampa River which is approximately 75 feet lower than the terrain on either side.

From the intersection of 275th Avenue and Cloud Road the route turns south along the alignment of 275th Avenue for approximately 1 mile to intersect with either the preferred route at Carefree Highway and 275th Avenue or approximately 2 miles Alternative 1 at 275th Avenue and Lone Mountain Road. The corridor width includes 1,000 feet east of the 275th Avenue alignment.

If an Alternative connecting with the Westwing Corridor is chosen: [10,000 West]

The Project will exit TS-5 to the south approximately 0.75 miles, from TS-5 to a point south of the Sun Valley Parkway. The corridor width includes 1,000 feet west of the half-section line in Section 29, Township 4 North, Range 4 West. The route then turns east in a 1,000 corridor along the south side of the Sun Valley Parkway to the point of intersection with the Palo Verde to Westwing 500 kV Transmission Line corridor. The route then proceeds northeast along a 3, 000' (1,000 on either side) along the Palo Verde to Westwing 500 kV Transmission Line route for approximately 1.25 mile to join the alignment of the Palo Verde to Westwing 500 kV Transmission Line and the WAPA 230 kV alignments. Thereafter the route turns east to join the Westwing Corridor along the Palo Verde to Westwing 500 kV Transmission Line and the WAPA 230 kV alignment into the TS-9 substation. The corridor width is 400 feet extending 200 feet north and 200 feet south of the corridor.

CONDITIONS

This Certificate is granted upon the following conditions:

1. The Applicant shall: (i) obtain all required approvals and permits necessary to construct the Project; and (ii) shall file its Application(s) for such right(s)-of-way across United States Bureau of Land Management ("BLM") and Arizona State Land Department ("ASLD") lands as may be necessary within six (6) months of the effective date of this Certificate. If either Alternative 3 or

Alternative Route 3 North is chosen: In such right(s)-of-way Application(s) as may be necessary for right(s)-of-way across BLM or ASLD lands for that portion of the Project between the 179th Avenue alignment and the TS-9 Substation, the Applicant shall specify and request the transmission line route proposed by Diamond Ventures, Inc., during the hearings. [Diamond Ventures], except that APS may specify and request a transmission line route south of that proposed by Diamond Ventures, Inc. during the hearing in the area east of the eastern boundary of Township 6 North, Range 1 West. [DLGC]

- The Applicant shall comply with all existing applicable ordinances, master
 plans and regulations of the State of Arizona, the County of Maricopa, the
 United States, and any other governmental entities having jurisdiction.
- 3. This authorization to construct the 500 kV circuit of the Project shall expire ten (10) // five(5) years from the date the Certificate is approved by the Commission and this authorization to construct the 230 kV circuit of the Project shall expire twenty (20) // five (5) years from the date the Certificate is approved by the Commission, unless the specified circuit is capable of operation within the respective time frame; provided, however, that prior to either such expiration the Applicant or its assignees may request that the Commission extend this time limitation.
- 4. In the event that the Project requires an extension of the term of this Certificate prior to completion of construction, Applicant shall use commercially reasonable means to directly notify all landowners and residents within one mile of the Project corridor for which the extension is sought. Such landowners and residents shall be notified of the time and place of the proceeding in which the Commission shall consider such request for extension.

- 5. The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the transmission lines and related facilities addressed in this Certificate. The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained.
- 6. To the extent applicable, the Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law and shall, to the extent feasible, minimize the destruction of native plants during Project construction.
- 7. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or historical site or object that is at least fifty years old is discovered on state, county or municipal land during plan-related activities, the person in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the development of the subject property, Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum pursuant to A.R.S. § 41-865.
- 8. Within 120 days of the Commission decision granting this Certificate, Applicant will post signs in public rights-of-way giving notice of the Project corridor to the extent authorized by law. The Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full

length of the transmission line until the transmission structures are constructed. To the extent practicable, within 45 days of securing easement or right-of-way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Such signage shall be no smaller than a normal roadway sign. The signs shall advise:

- (a) That the site has been approved for the construction of Project facilities;
- (b) The expected date of completion of the Project facilities;
- (c) A phone number for public information regarding the Project;
- (d) The name of the Project;
- (e) The name of the Applicant; and
- (f) The website of the Project.
- 9. Applicant, or its assignee(s), shall design the transmission lines to incorporate reasonable measures to minimize impacts to raptors.
- 10. Applicant, or its assignee(s), shall use non-specular conductor and dulled surfaces for transmission line structures.
- 11. Before construction on this Project may commence, the Applicant must file a construction mitigation and restoration plan ("Plan") with ACC Docket Control. Where practicable, the Plan shall specify the Applicant's plans for construction access and methods to minimize impacts to wildlife and to minimize vegetation disturbance outside of the Project right-of-way particularly in drainage channels and along stream banks, and shall re-vegetate native areas of construction disturbance outside of the power-line right of way after construction has been completed; [10,000 West] and the Applicant's plans for coordination with the Arizona Game and Fish Department and the State Historic Preservation Office. ; and shall specify that the Applicant shall use existing roads for construction and access where practical. [10,000 West]

- 12. With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner. Without limiting any other aspect of this Condition, APS will in good faith participate in electric system planning within the context of the Long Range Energy Infrastructure Planning Process (the "Infrastructure Process") which was initiated on August 6, 2008 and hosted by the Town of Buckeye for the Buckeye Planning Area in order to establish a regional transmission study ("Regional Transmission Study"). The Applicant will in good faith conduct its future transmission line planning for any area covered by the Regional Transmission Study according to the agreed upon terms of the Regional Transmission Study. Further, the Applicant will include a summary of APS's participation in the Infrastructure Process within the annual self-certification letter referenced at Condition 21 herein. [10,000 West]
- 13. The Applicant shall provide copies of this Certificate to the Town of Buckeye, the City of Peoria, the City of Surprise, the Maricopa County Planning and Development Department, the Arizona State Land Department, the State Historic Preservation Office, and the Arizona Game and Fish Department.
- 14. Prior to the date construction commences on this Project, the Applicant shall provide known homebuilders and developers within one mile of the center line of the Certificated route the identity, location, and a pictorial depiction of the type of power line being constructed, accompanied by a written description, and encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statements.

- 15. Before commencing construction of Project facilities located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:
 - (a) Perform the appropriate grounding and cathodic protection studies to show that the Project's location parallel to and within 100 feet of such pipeline results in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are mitigated. Applicant shall provide to Commission Staff reports of studies performed; and
 - (b) Perform a technical study simulating an outage of the Project that may be caused by the collocation of the Project parallel to and within 100 feet of the existing natural gas or hazardous liquid pipeline. This study should either: i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages. Applicant shall provide a copy of this study to Commission Staff.
- 16. Applicant will follow the latest Western Electricity Coordinating Council/North American Electric Reliability Corporation Planning standards as approved by the Federal Energy Regulatory Commission, and National Electrical Safety Code construction standards.
- 17. The Applicant shall maintain appropriate distance between the Project and existing transmission lines in the same corridor. [ACC Staff and 10,000 West] Except when crossing existing lines or entering and exiting substations, this distance should be at a minimum equal to or greater than the height of the tallest tower in each span. [ACC Staff]

- 18. The Applicant shall submit a self-certification letter annually, identifying progress made with respect to each condition contained in the Certificate, including which conditions have been met. Each letter shall be submitted to the Utilities Division Director on December 1 beginning in 2009. Attached to each certification letter shall be documentation explaining how compliance with each condition was achieved. Copies of each letter along with the corresponding documentation shall be submitted to the Arizona Attorney General and Department of Commerce Energy Office. The requirement for the self-certification shall expire on the date the Project is placed into operation.
- 19. Within eighteen (18) months of the Commission decision granting this

 Certificate, Applicant will have completed its engineering and design regarding the precise location and placement of Project facilities within the relevant corridors, including, but not limited to the precise location of all Project transmission poles, the height of all Project transmission Poles, and the spans between each and every Project transmission pole. The Applicant is required to complete its final engineering and design of the Project within eighteen (18) months irrespective of when the Applicant actually intends on constructing the Project. [10,000 West]
- 20. The Applicant shall work in good faith with effected landowners to mitigate the impacts of the location, construction, and operations of the Project on developments. Among other things at a minimum this effort must include providing timely copies of proposed construction locations and design as set forth in Condition 13 and a commitment on the part of APS to cooperate in modifying such proposals where in the mutual judgment of the parties modification is necessary to reduce or eliminate impacts. [10,000 West]

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This Certificate incorporates the following findings of fact and conclusions of law:

- 1. The Project is // <u>is not [10,000 West]</u> in the public interest because it aids // <u>does not aid [10,000 West]</u> the state in meeting the need for an adequate, economical and reliable supply of electric power.
- 2. In balancing the need for the Project with its effect on the environment and ecology of the state, the conditions placed on the CEC by the Committee <u>do not</u> [10,000 West] effectively minimize its impact on the environment and ecology of the state.
- 3. The conditions placed on the CEC by the Committee <u>do not</u> [10,000 West] resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve // <u>do not serve</u> [10,000 West] as the findings on the matters raised.
- 4. In light of these conditions, the balancing in the broad public interest results in favor of granting the CEC. // finding against granting the CEC. [10,000 West]

THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

Hon. John Foreman, Chairman

ATTACHMENT G

ORIGINAL

BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY, Arizona Corporation Commission IN CONFORMANCE WITH THE REQUIREMENTS Docket No. L-00000 D-08-0330-00138 OF ARIZONA REVISED STATUTES §§ 40-360, et seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE TS-5 TO TS-9 Case No. 138 500/230kV TRANSMISSION LINE PROJECT, WHICH ORIGINATES AT THE FUTURE TS-5 SUBSTATION, LOCATED IN THE WEST HALF OF SECTION 29. Arizona Corporation Commission TOWNSHIP 4 NORTH, RANGE 4 WEST AND TERMINATES AT THE FUTURE TS-9 SUBSTATION, LOCATED IN SECTION 33, TOWNSHIP 6 NORTH. RANGE 1 EAST, IN MARICOPA COUNTY, ARIZONA

PROCEDURAL ORDER AND NOTICE OF FILING

The Applicant filed on December 16, 2008, a Notice of Filing that incorporates a proposed Certificate of Environmental Compatibility ("CEC") intended to reflect the decision of the Arizona Power Plant and Transmission Line Siting Committee of December 2, 2008, in this matter. The Notice indicates the proposed form of CEC was filed for the review of the intervenors and to provide the opportunity for the submission of any suggested revisions. John Foreman, designee of the Attorney General of Arizona, Terry Goddard, as Chairman and Presiding Officer of the Arizona Power Plant and Transmission Line Siting Committee as authorized by A.R.S. §§ 40-360.01(C) and (D), 40-360.04 and A.A.C. R14-3-201(E), issued a procedural order soliciting responses and proposed revisions to the proposed form of CEC filed by the Applicant on or before December 26, 2008.

Diamond Ventures, Inc., timely filed a response with proposed revisions. No response or proposed revision was filed by the Staff of the Arizona Corporation Commission or any other intervening party. The Chairman has reviewed the Applicant's proposed CEC, the response and the proposed revisions of Diamond Ventures, and the record. Today, December 29, 2008, is the last day for filing the CEC within the time limits.

The Committee during its deliberations delegated to the Chairman the responsibility of working with the attorneys to conform the final language of the CEC with the results of the deliberations of the Committee. Reporter's Transcript of December 2, 2008 ("RT"), page 3462, lines 4-16.

The Applicant's proposed language of the CEC appears to conform to the results of the deliberations of the Committee with the limited additional language noted below.

The Chairman has modified the language of the proposed CEC in three places. The parties will received an e-mailed copy of this filing with a highlighted copy of the final CEC showing the revisions.

The first revision adds the words: "from the half section line north of the Lone Mountain Road alignment" to the description of the path of the corridor north of the Lone

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BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

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IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES §§ 40-360, et seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY **AUTHORIZING THE TS-5 TO TS-9** 500/230kV TRANSMISSION LINE PROJECT, WHICH ORIGINATES AT THE FUTURE TS-5 SUBSTATION. LOCATED IN THE WEST HALF OF SECTION 29, TOWNSHIP 4 NORTH. RANGE 4 WEST AND TERMINATES AT THE FUTURE TS-9 SUBSTATION, LOCATED IN SECTION 33, TOWNSHIP 6 NORTH, RANGE 1 EAST, IN

MARICOPA COUNTY, ARIZONA

Docket No. L-00000D-08-0330-00138

Case No. 138

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee (the "Committee") held public hearings on August 18 and 19, 2008, September 8 and 9, 2008, October 20 through 22, 2008, October 27 through 30, 2008, November 17 through 19, 2008, and December 1 and 2, 2008, all in conformance with the requirements of Arizona Revised Statutes ("A.R.S.") §§ 40-360, et seq., for the purpose of receiving evidence and deliberating on the Application of Arizona Public Service Company ("Applicant") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case (the "Project").

1	The following members and designees of members of the Committee were present		
2	at one or more of the hearings for the evidentiary presentations and the deliberations:		
3	John Foreman	Chairman, Designee for Arizona Attorney General, Terry Goddard	
5	Paul Rasmussen	Designee for Director, Arizona Department of Environmental Quality	
7	Gregg Houtz	Designee for Director, Arizona Department of Water Resources	
8	Jack Haenichen	Designee for Director, Energy Office, Arizona Department of Commerce	
10 11	William Mundell	Designee for Chairman, Arizona Corporation Commission	
12	Patricia Noland	Appointed Member	
13	Michael Palmer	Appointed Member	
14	Michael Whalen	Appointed Member	
15	Barry Wong	Appointed Member	
16	Applicant was represent	ed by Thomas H. Campbell and Albert H. Acken of Lewis	
17	and Roca LLP and Meghan H. Grabel of the Applicant's Legal Department. The		

Applicant was represented by Thomas H. Campbell and Albert H. Acken of Lewis and Roca LLP and Meghan H. Grabel of the Applicant's Legal Department. The following parties were granted intervention pursuant to A.R.S. § 40-360.05:

Counsel:	INTERVENING PARTY:
Charles H. Hains	Arizona Corporation Commission Staff ("Staff")
Ayesha Vohra	
Garry D. Hays	Arizona State Land Department
Mark A. Nadeau	10,000 West, L.L.C.
Shane D. Gosdis	
Michael D. Bailey	City of Surprise
Scott McCoy	Elliott Homes, Inc.

¹ Members David Eberhart and Jeff McGuire recused themselves and did not participate in deliberations.

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1	COUNSEL:	INTERVENING PARTY:
2	Jon Paladini	Anderson Land & Development
_	Andrew Moore	Woodside Homes of Arizona, Inc.
3	Gary Bimbaum	Surprise Grand Vista JV I, LLC
4	James T. Braselton	Sunhaven Entities
7	Court S. Rich	Warrick 160, LLC and
5		Lake Pleasant 5000, LLC
6	Stephen J. Burg	City of Peoria
0	Joseph Drazek	Vistancia, LLC
7	Steve Wene	Vistancia Associations
	Lawrence V. Robertson, Jr.	Diamond Ventures, Inc.
8	Chad Kaffer	Quintero Community Associations and Quintero Golf
9		and Country Club
	Scott S. Wakefield	DLGC II, LLC and
10		Lake Pleasant Group, LLP
11	Christopher S. Welker	LP 107, LLC

At the conclusion of the hearings, the Committee, having received the Application, the appearances of the parties, the evidence, testimony and exhibits presented at the hearings, and being advised of the legal requirements of A.R.S. §§ 40-360 to 40-360.13, upon motion duly made and seconded, voted 9 to 0 to grant Applicant this Certificate of Environmental Compatibility (Case No. 138) for the Project.

The Project as approved consists of approximately 40 miles of 500/230kV transmission line and ancillary facilities along the route described below. A general location map of the Project, described herein, is set forth in Exhibit A.

The Project will begin at the TS-5 (Sun Valley) Substation (approved as part of the West Valley North Project, ACC Decision No. 67828, Case No. 127), located in the west half of Section 29, Township 4 North, Range 4 West. The Project will end at the TS-9 Substation (approved as part of the TS-9 to Pinnacle Peak Project, ACC Decision No.

69343, Case No. 131), located in Section 33, Township 6 North, Range 1 East. From the TS-5 Substation, the Project's route will be as follows²:

- A 2,500 foot-wide corridor that extends north for approximately 0.5 miles, from TS-5 to the north side of the existing Central Arizona Project ("CAP") canal. The corridor width includes 2,000 feet west and 500 feet east of the half-section line in Section 29, Township 4 North, Range 4 West.
- A 2,500 foot-wide corridor that extends northeast for approximately 0.8 miles, paralleling the existing CAP canal. The corridor width includes 2,500 feet northwest of the chain link fence on the northwest side of the CAP, paralleling the certificated West Valley North 230kV line (Line Siting Case No. 127).
- A 2,500 foot-wide corridor that extends east for approximately 1.8 miles,
 paralleling the existing CAP canal, to the junction with the existing 500kV MeadPhoenix transmission line. The corridor width includes 2,500 feet north of the
 chain link fence on the north side of the CAP, paralleling the certificated West
 Valley North 230kV line (Line Siting Case No. 127).
- A 2,000 foot-wide corridor that extends north-northwest for approximately 2.0 miles, paralleling the existing Mead-Phoenix transmission line, from the junction of the CAP and the Mead-Phoenix transmission line, to approximately the 275th Avenue alignment. The corridor width includes 1,000 feet west and 1,000 feet east of the Mead-Phoenix transmission line.
- A 1,000 foot-wide corridor that extends north for approximately 4.1 miles, from the junction of the existing Mead-Phoenix transmission line and the 275th Avenue alignment to the Lone Mountain Road alignment. The corridor width includes 1,000 feet east of the 275th Avenue alignment.

² Referenced road alignments in route description are along section lines unless otherwise noted.

- A 3,000 foot-wide corridor that extends east along the Lone Mountain Road alignment for approximately 5.0 miles from the 275th Avenue alignment to the 235th Avenue alignment. The corridor width includes 3,000 feet north of the Lone Mountain Road alignment.
- A 1,500 foot-wide corridor that extends north along 235th Avenue alignment for approximately 0.5 miles to the half section line north of the Lone Mountain Road alignment. The corridor width includes 1,500 feet west of the 235th Avenue alignment.
- A 2,500 foot-wide corridor that extends north along 235th Avenue alignment for approximately 2.4 miles from the half section line north of the Lone Mountain Road alignment to the junction with U.S. 60 (Grand Avenue). The corridor width includes 1,500 feet west and 1,000 feet east of the 235th Avenue alignment.
- A 1,500 foot-wide corridor that extends north for approximately 1.1 miles, from
 U.S. 60 (Grand Avenue) to the junction of 235th Avenue and the Joy Ranch Road alignment. The corridor width includes 1,500 feet east of 235th Avenue.
- A 1,500-foot wide corridor that extends east along the Joy Ranch Road alignment for approximately 6.3 miles from 235th Avenue to approximately 0.3 miles east of the 187th Avenue alignment. The corridor width includes 1,500 feet north of the Joy Ranch Road alignment.
- A corridor up to 2,640 feet wide that extends east along the Joy Ranch Road alignment for approximately 0.7 mile to the 179th Avenue alignment. The entire corridor is located south of the centerline of SR 74 and north of the Joy Ranch Road alignment, with a maximum width up to 2,640 feet north of the Joy Ranch Road alignment.
- A 1,500 foot-wide corridor on the south side of SR 74 that extends east along SR 74 for approximately 2.1 miles from the 179th Avenue alignment to the 163rd

Avenue alignment. The corridor width includes 1,500 feet south of the existing SR 74 centerline. The corridor excludes the property designated Village 'E' in the record (Exhibit DV-13, slide 7L) owned by Diamond Ventures west of the 163rd Avenue alignment and south of SR 74.

- A 1,000 foot-wide corridor, centered on the 163rd Avenue alignment, which crosses SR 74 from south to north and connects that portion of the corridor south of SR 74 with that portion of the corridor north of SR 74. The corridor excludes the properties designated Village 'A' and Village 'E' in the record (Exhibit DV-13, slide 7L) owned by Diamond Ventures east and west of the 163rd Avenue alignment and south of SR 74.
- A 1,500 foot-wide corridor, on the north side of SR 74, that extends east along SR 74 for approximately 4.9 miles from the 163rd Avenue alignment to approximately 0.3 mile west of the section line between Sections 25 and 26 of Township 6 North, Range 1 West. The southern boundary of the corridor begins 500 feet north of the centerline for SR 74.
- A 1,000 foot-wide corridor, centered on a north-south line 0.3 mile west of the section line between Sections 25 and 26 of Township 6 North, Range 1 West, which crosses SR 74 from north to south and connects that portion of the corridor north of SR 74 with that portion of the corridor south of SR 74.
- A 1,000 foot-wide corridor, on the south side of SR 74, that extends east along SR 74 for approximately 1.3 miles to the eastern boundary of Township 6 North Range 1 West (the 115th Avenue alignment). The northern boundary of the corridor begins 500 feet south of the centerline of SR 74.
- A 1,500 foot-wide corridor, on the south side of SR 74, that extends east along SR 74 for approximately 2.1 miles from the 115th Avenue Alignment to the 99th

Avenue alignment in Section 33, Township 6 North, Range 1 East. The northern boundary of the corridor begins 500 feet south of the centerline of SR 74.

 A corridor up to 2,000 feet wide that extends southeast for approximately 1.0 mile along the existing WAPA 230kV transmission line corridor and then east for approximately 0.3 mile to the termination point at the TS-9 Substation. The corridor width includes 2,000 feet west of the WAPA 230kV transmission line until it turns east and then includes 700 feet north of the Cloud Road alignment.

CONDITIONS

This Certificate is granted upon the following conditions:

- 1. The Applicant shall: (i) obtain all required approvals and permits necessary to construct the Project; (ii) shall file its Application for such right(s)-of-way across United States Bureau of Land Management ("BLM") lands as may be necessary within sixty (60) days of the effective date of this Certificate; and (iii) shall file its Application for such rights-of-way across Arizona State Land Department ("ASLD") lands as may be necessary within 12 months of the effective date of this Certificate.
- 2. The Applicant shall comply with all existing applicable ordinances, master plans and regulations of the State of Arizona, the County of Maricopa, the United States, and any other governmental entities having jurisdiction.

- 3. This authorization to construct the 500 kV circuit of the Project shall expire seven (7) years from the date the Certificate is approved by the Commission and this authorization to construct the 230 kV circuit of the Project shall expire ten (10) years from the date the Certificate is approved by the Commission, unless the specified circuit is capable of operation within the respective time frame; provided, however, that prior to either such expiration the Applicant or its assignees may request that the Commission extend this time limitation.
- 4. In the event that the Project requires an extension of the term of this Certificate prior to completion of construction, Applicant shall use commercially reasonable means to directly notify all landowners and residents within one mile of the Project corridor for which the extension is sought. Such landowners and residents shall be notified of the time and place of the proceeding in which the Commission shall consider such request for extension.
- 5. The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the transmission lines and related facilities addressed in this Certificate. The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained.
- 6. To the extent applicable, the Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law and shall, to the extent feasible, minimize the destruction of native plants during Project construction.

- 7. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or historical site or object that is at least fifty years old is discovered on state, county or municipal land during plan-related activities, the person in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the development of the subject property, Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum pursuant to A.R.S. § 41-865.
- 8. Within 120 days of the Commission decision granting this Certificate, Applicant will post signs in public rights-of-way giving notice of the Project corridor to the extent authorized by law. The Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line until the transmission structures are constructed. To the extent practicable, within 45 days of securing easement or right-of-way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Such signage shall be no smaller than a normal roadway sign. The signs shall advise:
 - (a) That the site has been approved for the construction of Project facilities;
 - (b) The expected date of completion of the Project facilities;
 - (c) A phone number for public information regarding the Project;
 - (d) The name of the Project;
 - (e) The name of the Applicant; and
 - (f) The website of the Project.

- 9. Applicant, or its assignee(s), shall design the transmission lines to incorporate reasonable measures to minimize impacts to raptors.
- 10. Applicant, or its assignee(s), shall use non-specular conductor and dulled surfaces for transmission line structures.
- 11. Before construction on this Project may commence, the Applicant must file a construction mitigation and restoration plan ("Plan") with ACC Docket Control. Where practicable, the Plan shall specify the Applicant's plans for construction access and methods to minimize impacts to wildlife and to minimize vegetation disturbance outside of the Project right-of-way particularly in drainage channels and along stream banks, and shall re-vegetate, unless waived by the landowner, native areas of construction disturbance to its preconstruction state outside of the power-line right of way after construction has been completed; and the Applicant's plans for coordination with the Arizona Game and Fish Department and the State Historic Preservation Office; and shall specify that the Applicant shall use existing roads for construction and access where practicable.
- 12. With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner. Without limiting any other aspect of this Condition, APS will in good faith participate in electric system planning within the context of the Long Range Energy Infrastructure Planning Process (the "Infrastructure Process") which was initiated on August 6, 2008 and hosted by the Town of Buckeye for the Buckeye Planning Area in order to establish a regional transmission study ("Regional Transmission Study").
- 13. The Applicant shall provide copies of this Certificate to the Town of Buckeye, the City of Peoria, the City of Surprise, the Maricopa County Planning and

Development Department, the Arizona State Land Department, the State Historic Preservation Office, and the Arizona Game and Fish Department.

- 14. Prior to the date construction commences on this Project, the Applicant shall provide known homebuilders and developers within one mile of the center line of the Certificated route the identity, location, and a pictorial depiction of the type of power line being constructed, accompanied by a written description, and encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statements.
- 15. Before commencing construction of Project facilities located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:
 - (a) Perform the appropriate grounding and cathodic protection studies to show that the Project's location parallel to and within 100 feet of such pipeline results in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are mitigated. Applicant shall provide to Commission Staff reports of studies performed; and
 - (b) Perform a technical study simulating an outage of the Project that may be caused by the collocation of the Project parallel to and within 100 feet of the existing natural gas or hazardous liquid pipeline. This study should either: i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages. Applicant shall provide a copy of this study to Commission Staff.

- 16. Applicant will follow the latest Western Electricity Coordinating Council/North American Electric Reliability Corporation Planning standards as approved by the Federal Energy Regulatory Commission, and National Electrical Safety Code construction standards.
- 17. The Applicant shall submit a self-certification letter annually, identifying progress made with respect to each condition contained in the Certificate, including which conditions have been met. Each letter shall be submitted to the Docket Control of the Arizona Corporation Commission on December 1 beginning in 2009. Attached to each certification letter shall be documentation explaining how compliance with each condition was achieved. Copies of each letter along with the corresponding documentation shall be submitted to the Arizona Attorney General and Department of Commerce Energy Office. The requirement for the self-certification shall expire on the date the Project is placed into operation.
- 18. Within sixty (60) days of the Commission decision granting this Certificate, the Applicant shall make good faith efforts to commence discussions with private landowners, on whose property the Project corridor is located, to identify the specific location for the Project's right-of-way and placement of poles.
- 19. The Applicant shall expeditiously pursue reasonable efforts to work with private landowners on whose property the Project right-of-way will be located, to mitigate the impacts of the location, construction, and operation of the Project on private land.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This Certificate incorporates the following findings of fact and conclusions of law:

1. The Project is in the public interest because it aids the state in meeting the need for an adequate, economical and reliable supply of electric power.

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- 2. In balancing the need for the Project with its effect on the environment and ecology of the state, the conditions placed on the CEC by the Committee effectively minimize its impact on the environment and ecology of the state.
- 3. The conditions placed on the CEC by the Committee resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve as the findings on the matters raised.
- 4. In light of these conditions, the balancing in the broad public interest results in favor of granting the CEC.

December 29, 2008

THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

Hon. John Foreman, Chairman

Charles Hains

From: Sent: John Foreman [John.Foreman@azag.gov] Thursday, September 11, 2008 12:03 PM

To:

Lawrence Robertson; Charles Hains; Janet Stone; Robert Pizorno; Frederick Davidson; Laurie Ehlers; Mark Nadeau; Charles & Sharie Civer; Andrew Moore; Scott McCoy; Edward Dietrich; Garry Hays; Jay Moyes; Steve Wene; Betty Griffin; Thomas Campbell; Gary Birnbaum; Jim Braselton; Steve Burg; Joseph Drazek; Michelle De Blasi; Roger Ferland; Scott Wakefield.

Esq.; Court Rich; Michael Bailey; Dustin Jones

Cc:

Marta Hetzer

Subject:

CEC CONDITIONS

Attachments:

PHX-#283427-v1-CEC CONDITIONS.DOC



PHX-#283427-v1-C EC_CONDITIONS....

I have attached a draft of Conditions for CECs generally that I would propose be applied in Application #138. I am soliciting suggestions about how the language could be adapted for use in #138 and suggestions about how it could be improved in general. Please give me your thoughts.

John Foreman

Assistant Arizona Attorney General

Chair, Arizona Power Plant and Transmission Line Siting Committee

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Draft CEC Conditions

The Certificate of Environmental Compatibility ("CEC") is granted conditioned upon the Applicant's compliance with the following:

- 1. The Applicant shall obtain all permits, licenses and approvals required by the United States of America or its agencies, the State of Arizona or its agencies, and any local government or local governmental agency that are legally required to construct and to operate the transmission line [power plant].
- 2. The Applicant shall comply with all applicable statutes, regulations and master plans of the United States of America or its agencies, the State of Arizona or its agencies, and any local government or local governmental agency in the construction and operation of the transmission line [power plant].
- 3. If any archaeological, paleontological or historical site or object that is at least fifty years old is discovered on state, county or municipal land during the construction or operation of the transmission line [power plant], the Applicant or its representative in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery. A.R.S. § 41-844.
- 4. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the construction or operation of the transmission line [power plant], the Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum. A.R.S. § 41-865.
- 5. The Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law (A.R.S. §§ 3-901 et seq.) and shall, to the extent feasible, minimize the destruction of native plants during the construction and operation of the transmission line [power plant].
- 6. This CEC shall expire five years from the date of its final approval by the Arizona Corporation Commission ("ACC") unless prior to that time the expiration date of the CEC is extended by the ACC after a timely application has been filed by the Applicant or its successors in interest.
- 7. The Applicant shall document and make reasonable efforts to correct each complaint of interference with radio or television signals from the operation of the transmission lines [power plant] and related facilities identified in the CEC. The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributed to the operation of the transmission line. The documentation shall include the date of the complained interference, the name and identifying information of the complaining party, the corrective action taken, and the results of the corrective action. If no corrective action was taken, the documentation shall explain why no action was taken.
- 8. The Applicant shall design and construct the transmission line [power plant] to minimize impact upon raptors.

- 9. The Applicant shall use non-specular conductor and dulled surfaces for the transmission line structures.
- 10. Within 120 days of the ACC decision approving this CEC, the Applicant shall post signs in public rights-of-way giving notice of the Project corridor to the extent authorized by law. The Applicant shall place signs in prominent locations at reasonable intervals so the public will be notified of the future location of the transmission line along the full length of the corridor until the transmission structures are constructed. Within 45 days of securing easements for rights-of-way through land that was not public for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Signs shall be no smaller than twelve inches by twenty four inches. The signs shall advise:
 - a. A CEC has been granted authorizing the construction of a transmission line at this site:
 - b. The name of the Project;
 - c. The expected dates construction will begin and be completed;
 - d. A telephone number, postal address and e-mail address that may be contacted by a member of the public to obtain information about the Project; and
 - e. The name, postal address and website address of the Applicant.
- During the construction and maintenance of the transmission line [power plant], to the extent practicable the Applicant shall use existing roads for construction and access, minimize impacts to wildlife, minimize vegetation disturbance outside of the Project right-of-way, and revegetate native areas following construction disturbance. Before construction commences, the Applicant shall file with the ACC Docket Control a construction mitigation and restoration plan that lists how the Applicant will use existing roads for construction and access, minimize impacts to wildlife, minimize vegetation disturbance outside of the Project right-of-way, and revegetate native areas following construction disturbance.
- 12. The Applicant shall participate in good faith in regional, state and local transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission reliability and adequacy issues.
- 13. The Applicant shall provide copies of this CEC to the Maricopa County Planning and Development, the Arizona State Land Department, the State Historic Preservation Office, and the Arizona Game and Fish Department.
- 14. Within 120 days after the approval of this CEC by the Arizona Corporation Commission, the Applicant shall provide a copy of this CEC to all persons or business entities who are known to have plans to develop or build homes on property within one mile from the center line of the transmission line corridor [power plan location] authorized by this CEC, a map showing the location of the transmission line [power plant], and a pictorial representation of the transmission line [power plant] that will be constructed. The Applicant shall request the developers and homebuilders include this information in the developers' and homebuilder's disclosure statements to prospective buyers.

- 15. If the Project authorizes a transmission line to be constructed within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall construct and maintain the line so that it will result in no material adverse impacts to the pipeline or to public safety. Before commencing construction of any portion of the Project located within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:
 - a. Perform the appropriate grounding and cathodic protection studies to show the Project's location will result in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. The Applicant shall provide to the ACC Staff all reports of studies performed; and
 - b. Perform a technical study simulating an outage of the Project that may be caused by the collocation of the Project with in 100 feet of the existing natural gas or hazardous liquid pipeline. The Applicant shall provide to the ACC Staff all reports of studies performed.
- 16. The Applicant shall submit a self-certification letter describing progress made toward compliance with each condition of this CEC. Each letter shall be submitted to the Utilities Division Director of the ACC within ten days after December 1 of each year beginning with 20___. Copies of each letter along with the corresponding documentation shall be submitted to the Arizona Attorney General and the Department of Commerce Energy Office. The requirement for the self-certification shall expire on the date the Project is placed into operation.
- 17. The Applicant shall follow the latest standards set by the Western Electricity Coordinating Council/North American Electric Reliability Corporation Planning as approved by the Federal Energy Regulatory Commission, and the National Electrical Safety Code in the construction and maintenance of the transmission line [power plant].